

pl file Ken Smith

*North
American
Life
And
Casualty Company*



A N N U A L R E P O R T

1965



The 1964 NALAC Annual Report to Shareholders received two top awards from Financial World magazine. For the second consecutive year, it was adjudged best of the life insurance industry. The report also was cited as the best of all financial institutions, an achievement marked by the Silver Oscar, shown above.

70th Annual Report of the North American Life and Casualty Company

CONTENTS

Report to Shareholders	2
NALAC Life and Health Coverage	10
Features of NALAC Coverage	11
How NALAC Serves North America	12
Balance Sheets	14
Statements of Income	16
Statements of Surplus	17
Notes to Financial Statements and Auditors' Opinion	18
NALAC Charts	19
Operating Statistics	20
Securities Owned	24
Board of Directors	28
Home Office Organization	<i>Inside Back Cover</i>

NOTICE OF ANNUAL MEETING—The Annual Meeting of shareholders will be held Tuesday May 3, 1966, at 10:00 a.m. (Central Standard Time) at North American Life and Casualty Company, 1750 Hennepin Ave., Minneapolis, Minnesota.

Financial Highlights

for the years ended December 31

	1965	1964	Percentage Change
Life Insurance in Force	\$2,591,588,663	\$2,263,806,106	14.5 %
Life Insurance Sales	604,610,369	618,951,457	(2.3)
Premium Income	34,898,534	31,450,012	11.0
Investment Income	3,616,784	3,261,989	10.9
Policyowners' Benefits	16,795,082	15,508,716	8.3
Net Gain from Operations	1,398,337	1,020,272	37.1
Net Return on Investments	4.69%	4.71%	
Net Income and Realized Gains	1,540,113	1,202,051	28.1
Capital Funds	19,684,178	18,334,597	7.4
Total Assets	89,202,043	80,026,715	11.5
Statutory Earnings Per Share*29	.21	37.1
Adjusted Earnings Per Share*99	.88	12.5
Total Sales Offices	78	72	8.3
Number of Shareholders	16,500	15,000	10.0
Number of Shares Outstanding	4,831,662	3,623,747	33.3

*Reflects 4-for-3 stock distribution in 1965.
See page 5.

NALAC



H. P. SKOGLUND
*Chairman of the Board
and Chief Executive Officer*

Report to Shareholders

The rise of \$378,000 stemmed mainly from substantially lower accidental death claims, tighter expense controls, and improved efficiency provided through our greatly expanded computer system.

Not only has our highly sophisticated computer operation brought about lower costs, it has been programmed to heighten the capabilities of NALAC's field sales force which now offers greater service to current and prospective policyowners. In its first full year of operation, the Computer Audited Policy Survey (CAPS) program has already proven its worth by giving complete and up-to-date policy information to our branch offices and field underwriters in the United States and Canada. With this service, our salesmen can counsel policyowners about such important points as:

- ... administration of their insurance estates;
- ... the use of accumulated policy values in emphasizing the worth of permanent insurance and pin-pointing actual net cost;
- ... options for the payment of policy benefits, and
- ... appraisal of insurance programs in relation to changing needs for protection.

The CAPS program should unquestionably benefit both our policyowners and the Company in terms of improving persistency and increasing sales.

Coupled with CAPS is a new persistency program which assists the field sales force in determining whether or not buyers may let policies lapse. The well-researched and validated system conserves the salesman's time by identifying policyowners who require extra care and service to maintain the insurance in force.

Though a large part of our business is term insurance, recognition of the changing needs

The momentum of growth which has been generated by North American in the past few years continued during 1965, with accomplishments in key areas that will have significant effects on the Company's long-range development.

If any outstanding financial achievement should be singled out, it would be the 37 per cent increase in net gain from operations. While achieving this result, a number of changes took place that have strengthened NALAC's sales and administrative positions.

Highlighting our performance was attainment of almost \$2.6 billion of life insurance in force. The net increase in this category amounted to \$328 million, 14.5 percent over last year. Making up this total was \$51 million in whole life insurance, \$200 million in term insurance and \$77 million in group.

Net gain from operations climbed to \$1,398,000, an all-time record for the after-tax figure.

for coverage has led to the establishment of a term conversion program. We recognize that term insurance is often preferred by younger persons as a means of providing maximum protection at a minimum cost. However, though income may rise later, it is seldom convenient to absorb immediate premium increases which must be met upon conversion to permanent or cash value insurance. Three special policies, designed to facilitate the switch-over, were introduced in the past year. The program gained momentum in 1965, and it is making a significant contribution to our permanent protection portfolio.

Sales increases were sparked by new concepts which, included:

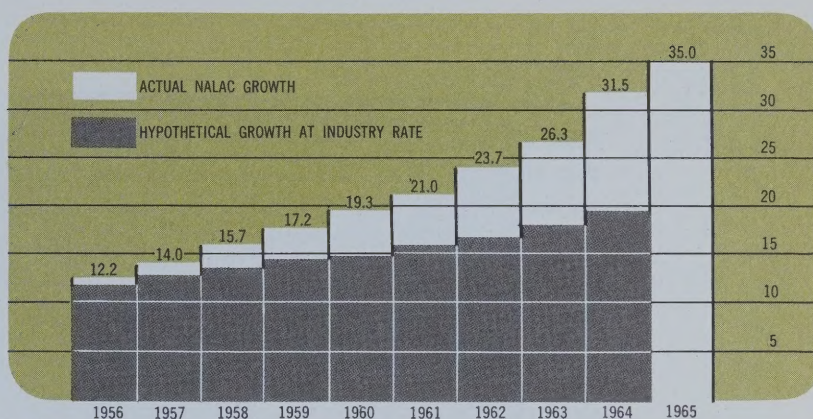
- ... transfer of group insurance operations into the General Sales Department;
- ... greater emphasis on sales of life insurance especially tailored for small and medium-sized groups;
- ... introduction of new life insurance products;
- ... expansion of our career and brokerage branch offices;
- ... intensification of efforts to sell individual insurance to persons covered by group policies, and
- ... expansion of a Pension Trust and Advanced Underwriting Department.

The Company's continuing policy to investigate new opportunities and to provide services and coverage geared to consumer need have stimulated a rate of growth that exceeds the industry's as a whole. The accompanying charts illustrate NALAC's actual growth and what the hypothetical rates would have been if performance had only matched the industry's average.

Industry rankings show NALAC in 64th place in terms of life insurance in force among all U.S. and Canadian insurance companies at the end of 1964. In the preceding year the Company was 70th, and in 1960 it was in 86th place. At year end 1964, the Company ranked 33rd among stock life companies. This performance is unmatched by any of the top 100 mutual or stock companies, exclusive of merger.

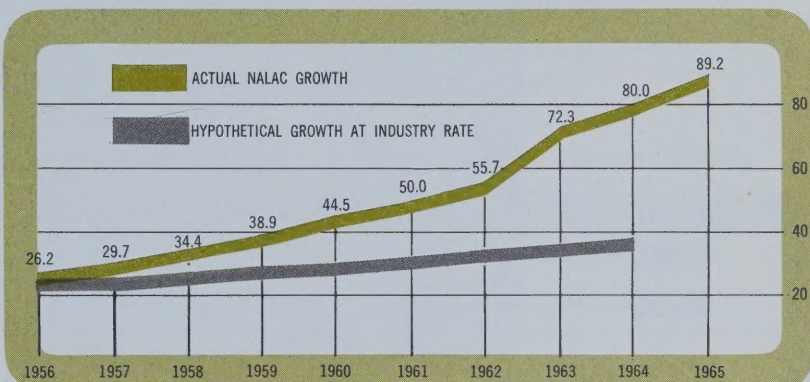
TOTAL PREMIUM INCOME

IN MILLIONS \$



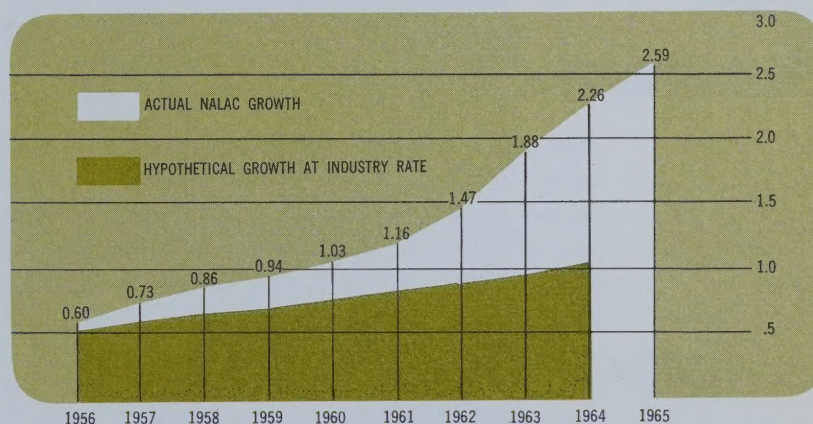
ASSETS

IN MILLIONS \$



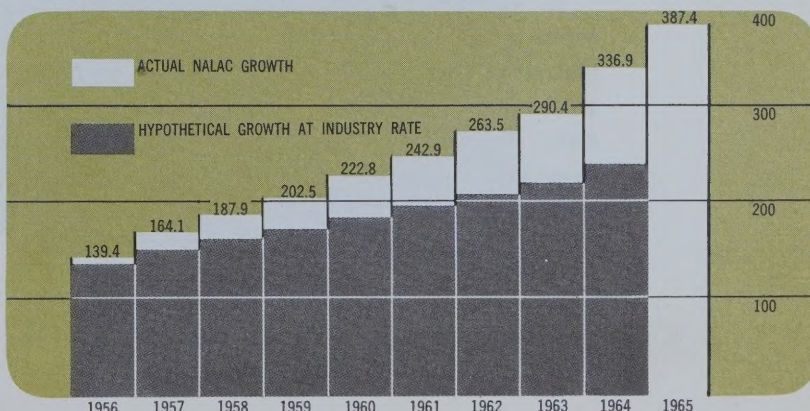
INSURANCE IN FORCE...TOTAL

IN BILLIONS \$



INSURANCE IN FORCE...WHOLE LIFE & ENDOWMENT

IN MILLIONS \$



Life Insurance in Force

It is significant to note that total life insurance in force increased greatly despite a slight dip in total sales. Both whole life and term showed larger net increases to insurance in force in 1965 than in 1964. Only group insurance failed to increase as much in 1965 as compared with 1964.

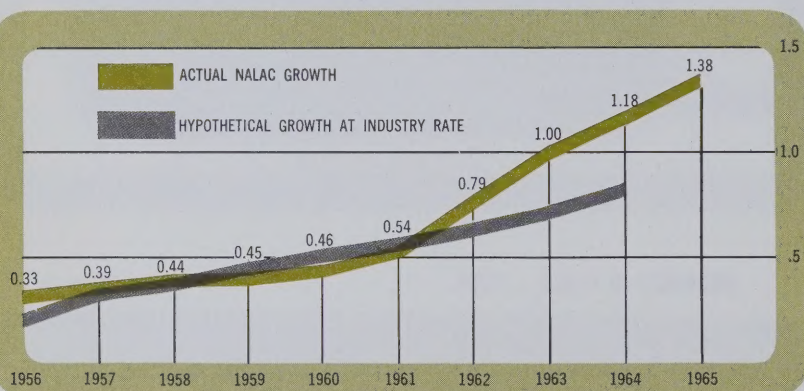
Participating insurance has not been written for more than 16 years by NALAC, therefore the amount of such insurance in force is only a small fraction of one percent of total insurance in force.

Sales for the Year

The minor decline in total life insurance sales

INSURANCE IN FORCE...TERM

IN BILLIONS \$



was attributable solely to a decrease in sales of term insurance. Part of the term change was caused by diversion of the salesmen's time by the emphasis given to the term conversion program. Group insurance sales increased at a slower rate than in 1964. Also fewer large group policies were written in 1965. In whole life sales, approximately the same pace was maintained—12.0 per cent in 1965 as against 11.4 per cent in the previous year.

In the sales area, our Canadian operation lends itself to intensive experiments and research in the development of new products and new markets. We are aggressive in this pursuit, particularly in professional and trade association types of coverage, and other mass merchandising.

Income and Expense Trends

Operating income, which includes all sources of revenue, except realized capital gains, rose to a record of \$39,209,000 in 1965, an increase of 12 per cent over the \$35,157,000 reported a year ago.

The primary source of income—premiums—totaled \$34,899,000, up 11 per cent or \$3,448,000. This total comprised:

... individual life, \$19,116,000, up 16 per cent;
... individual sickness and accident \$3,522,000, up 5.8 per cent;
... group life, \$5,458,000, up 8.6 per cent, and
... group sickness and accident, \$6,802,000, up 3 per cent.

Net investment income increased to \$3,617,000 from the \$3,262,000 realized in 1964, a gain of 10.9 per cent. Our net yield on investments in 1965 amounted to 4.69 per cent, down slightly from the 4.71 per cent in 1964. We are putting more emphasis on lower yielding municipal bonds and preferred stocks to improve our tax position. The entire investment portfolio is listed on pages 24 through 27.

All expenses associated with writing new insurance must be met in the year the policy is placed on the books. Since such expenses substantially exceed first-year premiums on new policies, the balance of the costs must be met out of total income. This factor in insurance accounting practice has the effect of lowering the net gain from operations when a large volume of new business is being written.

Last year there were mixed trends in our major expense categories. As mentioned previously, increased efficiency of our computer system and tighter expense control reduced administrative expense, which dropped to 12.7 per cent of total individual premium compared with 13.7 per cent in 1964 and 17.0 per cent in 1960. On the other hand, direct sales expense increased to 48 per cent of first-year billed premium during 1965, up 2.8 per cent from the year before. Contributing to this increase were new branches opened in 1964 and 1965.

Sales compensation went up to 72 per cent of first-year billed premium, a rise of 3.2 per

cent over 1964. Variations in commissions, however, both ups and downs, should be expected as they are primarily a function of product mix.

As stated before, the substantial increase in net gain from operations can be attributed to improved mortality and expense savings. The ratio of actual to tabular mortality was 46.5 per cent in 1965 and 53.8 per cent in 1964.

Income, before provision for income taxes, rose 64.3 per cent to \$1,758,000 from \$1,070,000 in the preceding year. The Company's tax liability was higher and consequently net gain from operations totaled \$1,398,000, a 37.1 per cent rise from the \$1,020,000 reported in 1964.

Statutory earnings for the year ended December 31 reached 29 cents a share, a 37 per cent rise against 21 cents in the past year. Adjusted earnings were up 12 per cent at the year's close, amounting to 99 cents a share compared with 88 cents in 1964.

Adjusted earnings, which include statutory earnings, are designed to reflect approximate deferred acquisition expenses over the life of policies in force. According to a formula deemed appropriate for NALAC by security analysts, the adjustment adds \$20 per thousand for net increased permanent insurance in force; \$10 for term and \$3 for group, plus 35 per cent of the increase in the unearned premium reserve for sickness and accident coverage.

Realized capital gains, after taxes, declined to \$147,880 from \$181,076.

Net income and realized gains totaled \$1,540,000 in 1965, up 28.1 per cent from the \$1,202,000 reported in 1964.

Dividends and Stock Distributions

The Company's 25th consecutive year of cash dividend payments was marked in 1965. It also made a 4-for-3 stock distribution, the fourth distribution since 1957. Cash payments totaled \$181,187.

NALAC's dividend policy is predicated on the fact that re-invested earnings provide the basis for growth. Cash payouts by insurance companies are traditionally conservative in order to build capital and surplus funds necessary to support a rising volume of business.



J. E. SCHOLEFIELD
President



CARL A. ERNST
Senior Vice President—Sales



JOHN C. SGOGLUND
Executive Vice President
Canadian Head Office

CHARLES C. PECK
Vice President—Sales,
Canada



JOHN J. CRANE
Vice President—Agencies



EUGENE L. REICHEL
Vice President—Brokerage

Capital and Surplus Funds

At the end of the year, capital and surplus totaled \$19,684,178 compared with \$18,334,597 in 1964, a 7 per cent increase. The net addition of \$1,349,581 was derived from the gain in operations after dividends and adjustments.

Capitalization as of December 31, 1965, consisted of 4,831,662 shares of \$1.00 par common stock (out of 10,000,000 shares authorized), paid-in surplus of \$8,100,423, unrealized appreciation of securities of \$695,545 and earned surplus of \$6,056,548.

Assets

Total assets rose to \$89,202,043 at the end of 1965 compared with \$80,026,715 at the close of 1964, an increase of \$9,175,328 or 12 per cent. The investment portfolio totaled \$77,717,009, of which 23 per cent was accounted for by bonds, 66 per cent by mortgages (51 per cent government insured) and 5 per cent by holdings of common and preferred stock.

Pensions and Profit Sharing

NALAC's pension plans for employees are qualified with the Internal Revenue Service and funded by assets deposited in trust for the employees. These plans are non-contributory and wholly funded by the Company. On December

31, 1965, assets in the pension plans were \$1,736,091 and the assets in the profit sharing plans were \$2,293,294. A substantial amount of the trust funds is invested in NALAC stock.

New Sales Directions

A number of changes were initiated last year by NALAC to improve services and reduce expenses in the Sales Department. These moves were also designed to accommodate expanded effort in our standard lines and other areas including pension trust, advanced underwriting, creditor and brokerage business.

Reorganization of the Sales Department started with moving the Western Region sales operations into our home office in Minneapolis. This resulted in substantial reduction of operating overhead and better coordination with our field organization through centralization of direction.

Subsequently, our entire branch office agency program was divided into four major geographic areas, each headed by regional officers who are responsible to the senior vice president—sales. Similarly, reorganization was effected in Canada with the appointment of a vice president for Canadian sales who reports directly to the executive vice president in charge of Canadian operations.



RALPH I. OASHEIM
Vice President—Controller

The Creditor Insurance Division and Group Sales Department were brought under the supervision of the General Sales Division to further consolidate direction and to benefit communication and service to policyowners.

As previously described, to continue our growth and development program, we expanded our Pension Trust and Advanced Underwriting Division in the latter part of the year. Public attention and awareness is increasingly being focused on corporate retirement practices. In its infancy after World War II, corporate pension planning is attaining maturity. Originally limited primarily to large corporations (some of whose pension funds now exceed the corporate net worth), the smaller businessman is becoming aware of the advantages of an adequate retirement program for his organization. Add to that the income tax advantages during life and the estate tax advantages on death and one can visualize the vast potential for the insurance company geared to this market.

Well-qualified personnel were promoted or hired to head these new functions. While it has taken time to smooth operations in these areas, results indicate that the moves were well-founded.

• **Group Insurance**—In addition to the group sales changes which have been mentioned, we

have re-examined such things as rate structure and policy up-grading. Prompt and efficient service to our policyowners continues and we have reduced inside administrative costs.

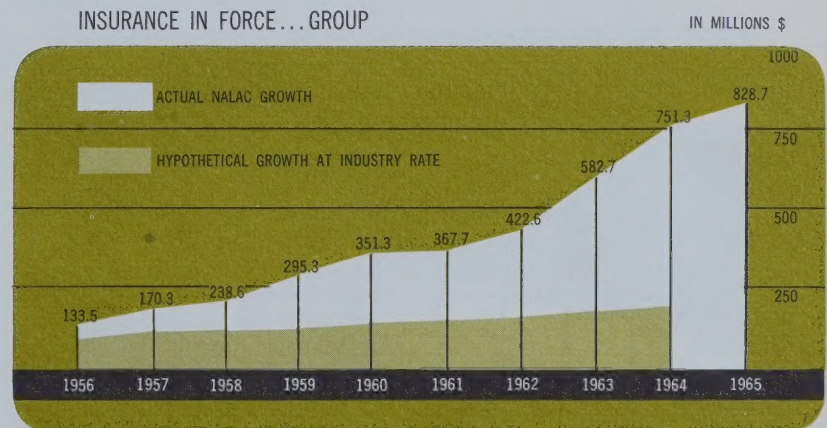
• **Creditor Insurance**—Under a Loan Protection Plan, NALAC offers complete creditor insurance to lending institutions for the protection of their borrowers against financial loss in the event of disability or death. The plan usually can be used to protect all credit risks regardless of the type of loan. Since this customized program is the most comprehensive available today, we expect an acceleration in the volume of business written in 1966.

• **Brokerage Operations**—A significant amount of the Company's increase in life insurance in force came from this source, through contracts with approximately 4,000 brokers in the U.S. and Canada.

• **New Offices**—Seven new offices were opened during 1965 and with the moving of the western regional sales office to the home office we have an effective net increase of 6, from 72 to 78. The new locations for career branch offices included: Fresno, Ottawa, Toronto-Central, and London, Ontario. The brokerage division established new branch offices in Detroit, Pittsburgh, and Beverly Hills, California.

Datanamic III Computer System

Installation of an IBM 360-40 computer late in 1965 marked the beginning of the third step in a three-phase information and control pro-



gram. Six years ago, NALAC's entire accounting and reporting procedure was redesigned using punched-card machines. Second step was conversion to an IBM 1401 magnetic tape computer, capable of reviewing and updating the Company's entire master policy file on a daily basis. As an example of data handling capabilities, the sorting of the transactions for commission payment purposes required 34 hours with the old card system, 93 minutes with the former magnetic tape computer, and now takes only 12 minutes with the new Datanamic III system.

The rapid accounting, reporting and budgeting capabilities, in addition to providing impetus to sales efforts, such as the term conversion drive and the CAPS program, have added new dimensions to our services. At the same time staff requirements have been reduced. For example, 156 salaried positions have been added during the past five years. Without the computer and related systems, NALAC would not have many of the services now provided and the home office staff would be larger by 50 to 75 positions. This translates into a significant savings.

By the first half of 1967, we anticipate an even greater sophistication in our computer operation. NALAC and 13 other major life insurance companies, in cooperation with IBM, are developing an Advanced Life Insurance System (ALIS). It utilizes the 360 computer plus a data cell unit which magnetically stores more than 400 million characters of information. This advanced version will retrieve and instantly display information on the screen of



WELDEN S. INGVALDSON
Treasurer

a video terminal as well as provide the data in printed form.

Organization

In May, the Board of Directors re-elected H.P. Skoglund as Chairman and Chief Executive Officer, and elected James E. Scholefield, President; John C. Skoglund as Executive Vice President; Carl A. Ernst, Senior Vice President—Sales; Wilson Scott, Vice President—Actuary, and Robert H. Rydman, Vice President—General Counsel.

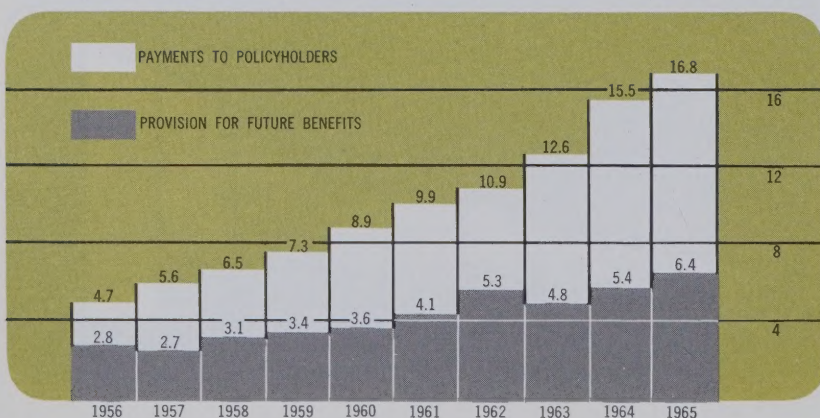
In other management promotions, John J. Crane became Vice President—Agencies and Charles C. Peck was named Vice President—Sales, Canada.

Mr. Scholefield started with NALAC in 1947 as director of agencies. He then progressed to vice president and his most recent position as senior vice-president. He is a member of the Company's executive committee and board of directors.

The new Executive Vice President, John C. Skoglund, will continue to head Canadian operations from the newly established head office in Toronto. The operations were moved from Hamilton, Ontario, in November of 1965, and will occupy leased office space in a new 16-story building called the North American Tower.

BENEFITS PAID TO POLICYHOLDERS

IN MILLIONS \$





WARD H. BEALL
Vice President—Underwriting

WILSON SCOTT
Vice President—Actuary



H. E. COPPS
Vice President—Claims

I. W. KIMMERLE
Secretary



BARTON C. BURNS
Associate General Counsel
Tax Counsel

ROBERT H. RYDMAN
Vice President—
General Counsel

Outlook

Your Company has never been more sales-minded and we look forward to aggressive activity during 1966 and the years ahead. We will continue, as in the past, to make significant changes in product and our approach to the market.

We hope that you, as a shareholder, take advantage of the many services offered by your Company and have one of our capable field men assist you in the writing of your personal insurance program. Further, we hope that you will recommend our services to your friends and associates. We are proud of our insurance product and of our Company and have unquestionable faith in its future.

At the moment, life insurance products are changing because equity investment and life insurance have become more compatible. The term insurance market is growing. Because of our wide experience in the term field we welcome this change and the opportunity to expand our vast reservoir of term policyowners. This is an invaluable pool of prospects for future conversion to permanent protection and the purchase of additional coverage.

The introduction of the Federal Medicare program has induced some changes in thinking about sickness and accident insurance. Frankly,

we are not concerned here as we have very little "over-age" business.

Our field and management training programs continue to receive emphasis so that the young men of the Company may develop their executive capacity and qualify for top management positions. This is an important phase in the continuing expansion of NALAC.

Our primary objective will continue to be the best interest of the people we serve—our policyowners and our shareholders.

We intend to continue to offer the maximum insurance product for the minimum cost and maintain an effective and profitable operation which will reflect to the benefit of those who have invested in the Company.

We sincerely thank all of the personnel, stockholders, and policyowners for their participation in Company affairs.

H. P. Skoglund

H. P. SKOGLUND
Chairman of the Board
and Chief Executive Officer

J. E. Scholefield

J. E. SCHOLEFIELD, C.L.U.
President

March 25, 1966

NALAC

offers complete line of life and health coverage . . .



FOR THE FAMILY MAN

- All regular life plans (ordinary, term, endowment, annuity, special retirement plans, etc.)
- All regular health plans (income replacement, hospital, surgical, medical care, etc.)
- Special life and disability plans for home and mortgage payments
- Accidental death and disability



FOR THE BUSINESSMAN

- All regular life plans
- All health plans
- Travel insurance on annual basis
- Insured income and salary continuance plans
- Special low-cost permanent life insurance
- Special low-cost level term insurance



GROUP INSURANCE FOR BUSINESS AND PROFESSIONAL ORGANIZATIONS

- Life
- Major medical expense
- Accidental death and dismemberment
- Loss of time

- Long term disability
- Hospital and surgical
- Medical care (doctor's bills, X-ray and lab examinations)
- Additional accident expense

FOR WOMEN

- All regular life plans
- Special health plans
- Retirement and annuity plans

FOR CHILDREN

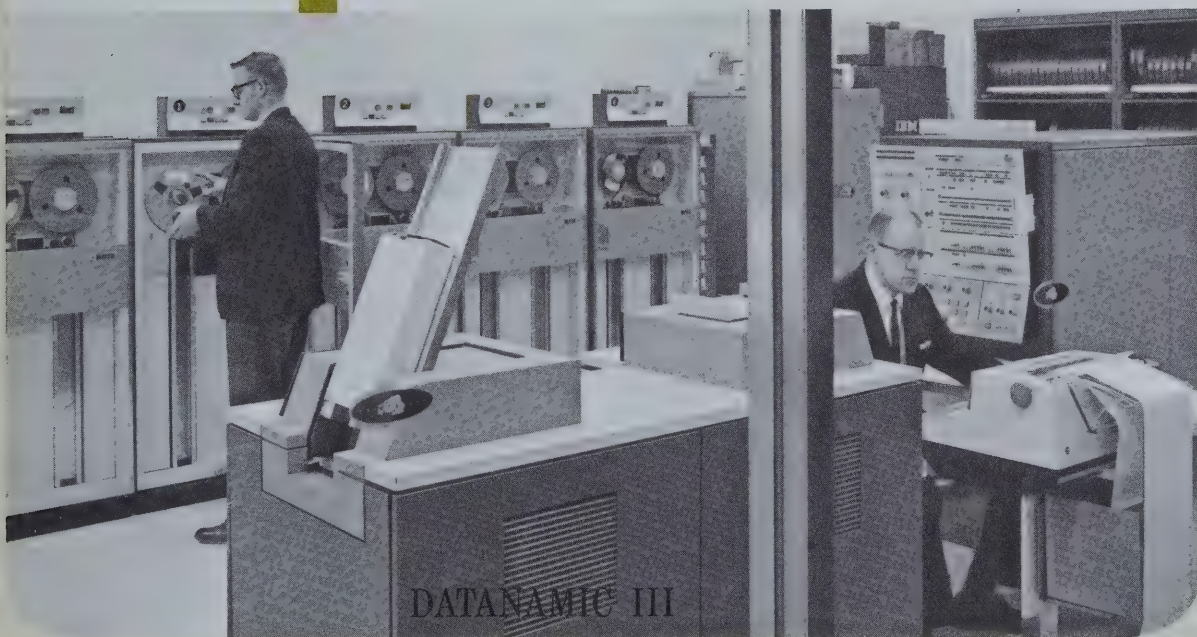
- All regular life plans
- Special life plans
- Educational plans
- Future purchase guarantee plan

FOR SPECIAL MARKETS

- Mortgage insurance—life and disability...available through financial institutions
- Creditor insurance—life and disability...available through financial institutions
- Rent insurance—disability...available through building management firms
- Air travel insurance...available at airports
- Salary budget plans

*Distinctive
Features
of
NALAC
Coverage*

- Lower rates for larger purchases
- All premiums calculated on age at *last* birthday
- Automatic waiver of premium for disability in all policies
- Discounted rates for women
- Reduced health rates for people in less hazardous occupations
- Full coverage for infants on first day of life or age zero
- Maximum disability coverage to \$800 per month
- Liberal underwriting for impaired (sub-standard) risks
- Group life covering as few as ten lives
- Health and life coverage through payroll deduction for as few as 5 employees
- Custom plan health coverage to fit individual budgets
- Simpler, easy-to-read policy forms planned for electronic issue





Sales and Service Offices

UNITED STATES DIVISION

John J. Crane
Vice President—Agencies
1750 Hennepin Avenue
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338-5671

ALBERT LEA, MINNESOTA
A. E. Cotton, Mgr.
Box 849
373-1456

BILLINGS, MONTANA
Richard E. White, Mgr.
3320 North 2nd Avenue
252-4118

DENVER, COLORADO
Robert S. Webber, Mgr.
245 Columbine, Suite 202
377-8896

DES MOINES, IOWA
Gene Walker, Mgr.
2723 Euclid Avenue
279-3656

DULUTH, MINNESOTA
Elmer O. Hammer, Mgr.
728 East Superior Street
724-8597

EAU CLAIRE, WISCONSIN
Henry Strand, C.L.U., Mgr.
13½ Barstow South
832-1651

FARGO, NORTH DAKOTA
Thomas Hnasko, Mgr.
Metropolitan Savings & Loan Bldg.
303-5th Street No.
237-9107

FRESNO, CALIFORNIA
Robert H. Henry, Mgr.
2220 Tulare Street, Suite 900
266-7836, 7837

GRAND RAPIDS, MICHIGAN
Richard F. Corcoran, Mgr.
242 Carlton Street, S. E.
459-8297

GREEN BAY, WISCONSIN
B. J. Durenberger, C.L.U., Mgr.
402 Northern Building
437-9669

HONOLULU, HAWAII
Patrick W. Stripp, Sr., Mgr.
(Hawaii Agency)
Ala Moana Bldg.
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960-261

John Black, C.L.U., Pres.
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1500 Plaza, Suite 250
232-8189

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2-3735

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224-2317

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624-7334

SIOUX FALLS, SOUTH DAKOTA

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WESTERN MINNESOTA

Fred Adams, Mgr.
220 North Broadway
New Ulm, Minnesota
354-2515

CANADIAN DIVISION

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Executive Vice President
Canadian Head Office
1500 North American Tower
797 Don Mills Road
Don Mills, Ontario
429-2200

Charles C. Peck
Vice President-Sales
797 Don Mills Road
Don Mills, Ontario
429-2200

CALGARY, ALBERTA

William R. Westgate, C.L.U., Mgr.
815 Sixth Street West
269-1188

EDMONTON, ALBERTA

Dan Melvin, C.L.U., Mgr.
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9912 106 Street
424-0626

HAMILTON, ONTARIO

Wesley Lee, Mgr.
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528-0046

LONDON, ONTARIO

George Sommerville, Mgr.
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434-1601

MONTREAL, QUEBEC

Edward Zackon, Mgr.
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866-1145

OTTAWA, ONTARIO

Donald B. Hutcheson, Mgr.
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PETERBOROUGH, ONTARIO

Charles Dunne, Mgr.
263½ George Street North
745-0545

REGINA, SASKATCHEWAN

Ronald T. Turner, Mgr.
306 Financial Building
2101 Searth Street
527-4655

SASKATOON, SASKATCHEWAN

Walter Petrowich, Mgr.
308 Financial Building
652-7662

TORONTO, ONTARIO

Michael Monette, C.L.U., Mgr.
412 Mt. Pleasant Road
485-6525

TORONTO CENTRAL, ONTARIO

James G. Campbell, Mgr.
221 Victoria Street
362-2603

VANCOUVER, BRITISH COLUMBIA

E. J. Anderson, Mgr.
1701 W. Broadway
736-6556

WILLOWDALE, ONTARIO

William L. Leach, Mgr.
4889 Yonge Street
225-1101

WINNIPEG, MANITOBA

Harold McElmoyle, Mgr.
402 Investors Building
280 Broadway Avenue
943-6424

REGIONAL GROUP OFFICES**CHICAGO, ILLINOIS**

The Aspengren General Insurance
Agency, Inc.
Timothy McKeough, Group Mgr.
One North LaSalle Street
Suite 1255
372-0305

HONOLULU, HAWAII

Arthur Awai, Group Executive
Ala Moana Building, Suite 1019
960-261

LOS ANGELES, CALIFORNIA

Dennis Toohey, Group Mgr.
3960 Wilshire Boulevard
381-6051

MINNEAPOLIS, MINNESOTA

J. B. "Bill" Clifford, Reg. Group Mgr.
John Garman, Group Mgr.
5616 Olson Memorial Highway
338-5671

SAN FRANCISCO, CALIFORNIA

Charles R. Thomson, Group Mgr.
1255 Post Street, Suite 1005
776-8836

TORONTO, ONTARIO, CANADA

Charles E. Lapp, Director of
Group Ins.—Canada
Thomas S. Bateman,
Canadian Group Supv.
797 Don Mills Rd.
Suite 1500, North American Tower
Don Mills, Ontario
429-2200

BROKERAGE DIVISION

Eugene L. Reichel
Vice President-Brokerage
1750 Hennepin Avenue
Minneapolis, Minnesota
338-5671

ATLANTA, GEORGIA

Douglas W. Moore, Mgr.
Fred T. Gillespie, Brok. Supervisor
1140 Bank of Georgia Bldg.
34 Peachtree Street N.E.
688-8136

BEVERLY HILLS, CALIFORNIA

Patrick A. Paige, C.L.U., Mgr.
Dave Davidson, Brok. Supervisor
9777 Wilshire Boulevard, Suite 715
274-7691

CHICAGO, ILLINOIS

The Aspengren General Insurance
Agency, Inc.
Brokerage Department:
Richard T. Brown, Director of Brokerage
One North LaSalle Street
Suite 1225
372-0305

Ward Hamlin
Underwriting Mgr.
One North LaSalle Street
Suite 1225
372-0305

INDIANAPOLIS, INDIANA

The Aspengren Agency Brokerage
Department:
James Sullivan
Brokerage Manager
614 Merchants Bank Bldg.
632-2632

CHARLOTTE, NORTH CAROLINA

Underwriters Services, Inc.
500 E. Morehead Street
Suite 219
332-6139

CHATTANOOGA, TENNESSEE

Profit Plans, Inc.
Bob Hopper, C.L.U.
615 Houston Street
267-9729

CINCINNATI, OHIO

Earls Brothers
Erwin C. Buehler, Brok. Mgr.
509 Gas & Electric Building
139 East Fourth Street
621-3400

CLEVELAND, OHIO

Robert F. Mapes, Mgr.
538 Union Commerce Building
241-0100

DALLAS, TEXAS

Financial Advisory Clinic
Glenn Baldwin, Chairman
Bob Sargent, Brok. Mgr.
1306 Hartford Building
748-9996

DETROIT, MICHIGAN

Frank L. Mumford, Jr., Mgr.
17700 Northland Park Court
Southfield, Michigan
444-4373

HOUSTON, TEXAS

Business Plans, Inc.
W. O. Catterton, C.L.U.
W. H. Haley, Jr., C.L.U.
P.O. Box 13199
1937 West Gray
528-3431

LOS ANGELES, CALIFORNIA

Thomas C. Albertson, Mgr.
Gary L. Jennison, Brok. Supervisor
3350 Wilshire Boulevard
Suite 728, Texaco Building
382-2101

MEMPHIS, TENNESSEE

Dunn-Lemly-Sizer
Theron M. Lemly, Mgr.
George F. Bruch, Brok. Mgr.
1309 Poplar Avenue
278-0411

MIAMI, FLORIDA

Charles C. Cox, C.L.U., Mgr.
1393 S.W. 1st Street, Suite 410
373-5729

NASHVILLE, TENNESSEE

Dunn-Lemly-Sizer
Edward C. Dunn, C.L.U., Mgr.
Osta Underwood, C.L.U., Brok. Mgr.
800 Sudekum Building
242-3331

NEWARK, NEW JERSEY

John Alviggi, Jr., C.L.U., Mgr.
570 Broad Street, Suite 504
622-6663

OKLAHOMA CITY, OKLAHOMA

Atlee I. Beagle, C.L.U., Mgr.
5th Floor City National Bank Building
235-6766

OMAHA, NEBRASKA

Robert L. Gilmore, Mgr.
551 Continental Building
209 So. 19th Street
346-9339

PHILADELPHIA, PENNSYLVANIA

William H. Moffett, Mgr.
Two Penn Center, Suite 1809
567-4110

PHOENIX, ARIZONA

Burton M. Borg, Mgr.
Del E. Webb Towne House Tower
110 West Clarendon, Suite 1759
277-5721

PITTSBURGH, PENNSYLVANIA

T. Joseph Feeney, Jr., Mgr.
Gateway Towers, Suite 225
261-2700

SAN FRANCISCO, CALIFORNIA

B. R. Franklin, Mgr.
Edward A. Marshall, Brok. Supervisor
111 Sutter Street, Suite 424
982-5893

TULSA, OKLAHOMA

Financial Advisory Clinic of Tulsa
Desmond T. McDermott, Chairman
1001 Petroleum Club Bldg.
582-6393

WASHINGTON, D.C.

Floyd L. Tucker, Mgr.
Brawner Bldg., Suite 214
888 17th Street N.W.
298-9230

*Balance Sheets . .**Admitted Assets*

	1965	1964
CASH.....	\$ 1,085,520	\$ 1,809,101
BONDS, at amortized cost which approximates market:		
U. S. Government.....	\$ 397,148	\$ 484,418
Canadian Government.....	214,297	214,271
State, municipal and special revenue.....	5,341,938	4,482,882
Canadian provincial and municipal.....	7,790,724	7,294,422
Public utility, industrial and railroad.....	4,020,295	3,523,049
Total bonds.....	\$17,764,402	\$15,999,042
STOCKS, at market (cost \$2,978,463 and \$1,995,946, respectively)	\$ 3,674,008	\$ 2,742,488
MORTGAGE LOANS:		
U. S. Government insured.....	\$26,310,934	\$25,821,562
Other, property located in—		
United States.....	22,449,267	18,272,424
Canada.....	2,474,152	1,228,086
Total mortgage loans.....	\$51,234,353	\$45,322,072
POLICY LOANS.....	\$ 4,057,246	\$ 3,614,596
COLLATERAL LOANS.....	\$ 987,000	\$ 866,000
HOME OFFICE BUILDING AND OTHER REAL ESTATE, ETC., substantially at cost, less depreciation of \$846,911 and \$710,616, respectively.....	\$ 5,299,464	\$ 5,193,430
(Less):		
Mortgage on Home Office Building, payable \$33,333 annually to 1977, \$500,000 then due.....	(900,000)	(933,333)
Mortgages on other real estate.....	(43,917)	(35,117)
Total.....	\$ 4,355,547	\$ 4,224,980
PREMIUMS DUE AND DEFERRED.....	\$ 5,419,490	\$ 4,851,291
INVESTMENT INCOME RECEIVABLE, ETC.....	624,477	597,145
	<u>\$89,202,043</u>	<u>\$80,026,715</u>

The accompanying notes to financial statements are an integral part of these statements.

December 31, 1965 and 1964

Liabilities, Capital Stock and Surplus

	1965	1964
LIABILITIES:		
Policy reserves—		
Life.....	\$56,305,653	\$50,260,789
Sickness and accident.....	4,142,904	3,401,622
Total policy reserves.....	<u>\$60,448,557</u>	<u>\$53,662,411</u>
Supplementary contracts without life contingencies.....	1,757,822	1,438,703
Policy and contract claims.....	3,081,705	2,896,656
Premium deposit funds and premiums received in advance..	1,267,908	989,340
Accrued commissions and expenses.....	1,005,441	1,094,735
Reserves for taxes, including United States and Canadian income taxes of \$467,321 in 1965 and \$186,164 in 1964..	1,183,656	899,989
Other liabilities.....	772,776	710,284
Total liabilities.....	<u>\$69,517,865</u>	<u>\$61,692,118</u>
CAPITAL STOCK AND SURPLUS (Notes 1 and 3):		
Common stock—\$1 par value per share, 10,000,000 shares authorized, 4,831,662 and 3,623,747 shares outstanding, respectively.....	\$ 4,831,662	\$ 3,623,747
Paid-in surplus, per accompanying statement.....	8,100,423	9,308,338
Unrealized appreciation of securities, per accompanying statement.....	695,545	746,542
Earned surplus, per accompanying statement.....	6,056,548	4,655,970
Total capital stock and surplus.....	<u>\$19,684,178</u>	<u>\$18,334,597</u>
	<u>\$89,202,043</u>	<u>\$80,026,715</u>

*The accompanying notes to financial statements
are an integral part of these statements.*

Statements of Income for the years ended December 31

	1965	1964
INCOME:		
Premiums	\$34,898,534	\$31,450,012
Supplementary contracts	653,665	412,993
Interest, dividends, rents, mortgage commitment fees and other, net	3,656,660	3,294,231
Total income	<u>\$39,208,859</u>	<u>\$35,157,236</u>
BENEFITS AND EXPENSES:		
Policyowner benefits—		
Payments to policyowners	\$16,795,082	\$15,508,716
Provision for future benefits	6,361,661	5,354,193
Total policyowner benefits	<u>\$23,156,743</u>	<u>\$20,862,909</u>
Expenses—		
Commissions	\$ 6,882,658	\$ 6,077,566
General insurance expenses, etc.	6,514,926	6,288,787
Taxes on premiums, payroll, etc.	896,195	857,702
Total expenses	<u>\$14,293,779</u>	<u>\$13,224,055</u>
Income before provision for income taxes	\$ 1,758,337	\$ 1,070,272
PROVISION FOR INCOME TAXES	<u>360,000</u>	<u>50,000</u>
NET GAIN FROM OPERATIONS, as reported in annual statements to insurance department	\$ 1,398,337	\$ 1,020,272
ADJUSTMENT for Canadian exchange gains (losses)	<u>(6,104)</u>	<u>703</u>
NET INCOME (Note 1)	\$ 1,392,233	\$ 1,020,975
REALIZED CAPITAL GAINS, net of applicable income taxes of \$55,000 in 1965 and \$65,000 in 1964	<u>147,880</u>	<u>181,076</u>
NET INCOME AND REALIZED CAPITAL GAINS	<u><u>\$ 1,540,113</u></u>	<u><u>\$ 1,202,051</u></u>

*The accompanying notes to financial statements
are an integral part of these statements.*



Statements of Surplus for the years ended December 31

	1965	1964
PAID-IN SURPLUS:		
Balance at beginning of year.....	\$ 9,308,338	\$ 9,308,338
Transfer to common stock of par value of 1,207,915 additional shares issued in four for three stock split-up.....	(1,207,915)	—
Balance at end of year.....	<u>\$ 8,100,423</u>	<u>\$ 9,308,338</u>
UNREALIZED APPRECIATION OF SECURITIES:		
Balance at beginning of year.....	\$ 746,542	\$ 742,874
Change in unrealized appreciation of securities during year..	(50,997)	3,668
Balance at end of year.....	<u>\$ 695,545</u>	<u>\$ 746,542</u>
EARNED SURPLUS:		
Appropriated for mandatory security valuation reserve—		
Balance at beginning of year.....	\$ 962,902	\$ 683,232
Increase in reserve during year.....	6,260	279,670
Balance at end of year.....	<u>\$ 969,162</u>	<u>\$ 962,902</u>
Unappropriated—		
Balance at beginning of year.....	\$ 3,693,068	\$ 3,700,800
Add (deduct):		
Net income.....	\$ 1,392,233	\$ 1,020,975
Realized capital gains on sale of securities, net of applicable income taxes.....	147,880	181,076
Increase in mandatory security valuation reserve.....	(6,260)	(279,670)
Change in nonadmitted assets, etc.....	41,652	(167,017)
Cash dividends to stockholders, 5¢ per share, based on shares outstanding prior to stock split-ups in 1965 and in 1964 and \$8,349 cash in lieu of fractional shares on split-up in 1964.....	(181,187)	(159,349)
Stock split-up in 1964 effected in the form of a stock dividend; one additional share issued at \$1 par (603,747 shares) for each five shares then outstanding.....	—	(603,747)
Net change for year.....	<u>\$ 1,394,318</u>	<u>\$ (7,732)</u>
Balance at end of year.....	<u>\$ 5,087,386</u>	<u>\$ 3,693,068</u>
COMBINED EARNED SURPLUS, at end of year.....	<u>\$ 6,056,548</u>	<u>\$ 4,655,970</u>

The accompanying notes to financial statements are an integral part of these statements.

NOTES to Financial Statements

(1) BASIS OF FINANCIAL REPORTING:

The accompanying financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Insurance Department of the State of Minnesota. Such practices differ from those generally accepted accounting principles commonly followed by other types of enterprises in that:

- (a) Commissions and other costs of acquiring new life business and similar costs related to earned sickness and accident premiums are charged to current operations as incurred instead of being amortized over the periods to be benefited. The company uses modified preliminary term methods of computing reserves, which give partial consideration to these costs.
- (b) Certain assets designated as "nonadmitted assets," principally furniture and equipment, net of depreciation provided, and agents' balances, net of

collection losses charged to income, have been excluded from the accompanying balance sheets and are charged to earned surplus.

- (c) The company uses modified preliminary term methods for computing life policy reserves for book purposes. Life policy reserves for tax purposes have been determined using net level premium methods, which reflect a more rapid rate of policy reserve accumulation. Deferred income taxes are not provided on the additional deduction claimed for tax purposes.

While the aggregate net effect of such variances on the financial statements has not been determined, in the case of this company such differences tend to reduce net income and earned surplus.

(2) FEDERAL INCOME TAXES:

Earned surplus at December 31, 1965, in-

cludes \$1,880,000 which, under provisions of the Life Insurance Company Income Tax Act of 1959, is defined as "policyholders' surplus" and is not subject to current income tax. The amounts of such "policyholders' surplus" may be subject to income tax at then current rates under certain conditions, including certain cash distributions to stockholders.

(3) STOCK OPTIONS:

An officer of the company has been granted an option to purchase 200,000 shares of the company's common stock at a price of \$7.775 per share. This option expires August 9, 1967.

(4) LEASE COMMITMENTS:

Annual rentals on office facilities leased in various localities, generally on a short-term basis, are approximately \$336,000 for 1966.

ARTHUR ANDERSEN & Co.

*To the Stockholders and Directors of
North American Life and Casualty Company:*

We have examined the balance sheet of NORTH AMERICAN LIFE AND CASUALTY COMPANY (a Minnesota corporation) as of December 31, 1965, and the related statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

These financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Insurance Department of the State of Minnesota, which are designed primarily to demonstrate ability to meet claims of policyholders. These practices differ in certain respects (as set forth in Note 1) from generally accepted accounting principles commonly applied in the preparation of financial statements by other types of enterprises.

In our opinion, the accompanying financial statements present fairly the admitted assets, liabilities, capital stock and surplus of North American Life and Casualty Company as of December 31, 1965, and the results of its operations and changes in surplus for the year then ended in conformity with accounting practices prescribed or permitted by the Insurance Department of the State of Minnesota, applied on a basis consistent with that of the preceding year.

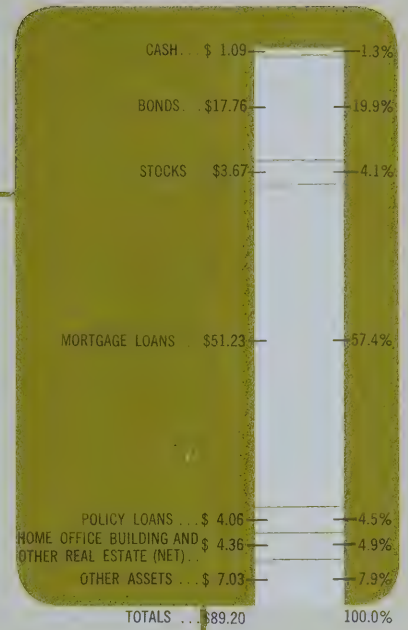
Minneapolis, Minnesota,
February 4, 1966.

ARTHUR ANDERSEN & Co.

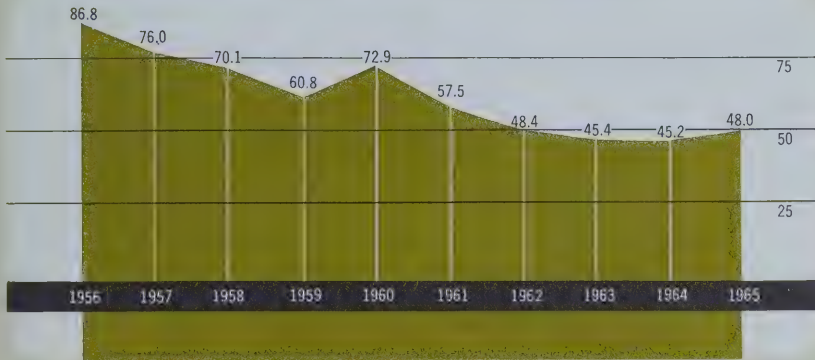
AUDITORS'
OPINION

NALAC

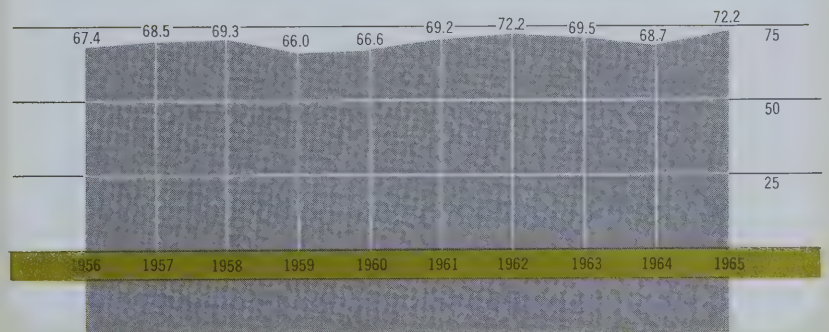
ASSETS—1965 (IN MILLIONS)



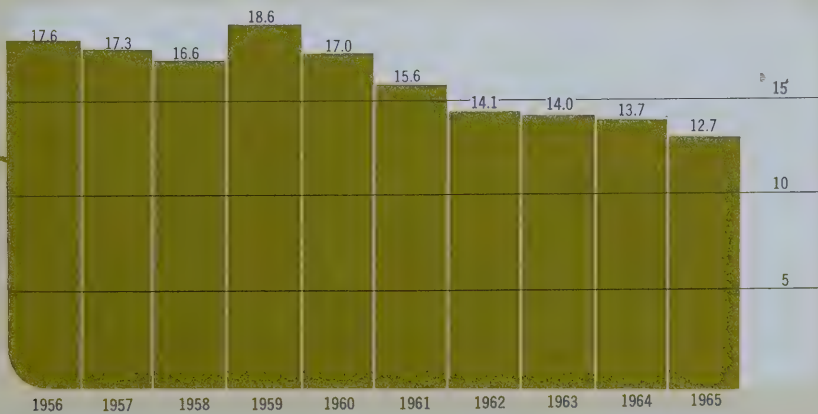
DIRECT SALES EXPENSES . . . as proportion of first-year billed premium %



SALES COMPENSATION . . . as proportion of first-year billed premium %



OTHER NEW BUSINESS & ADMINISTRATIVE EXPENSE . . . as proportion of total individual premium %



Operating Statistics... Part 1

INCOME STATEMENTS:	1965	1964	1963
PREMIUM INCOME			
Individual Life.....	\$19,115,522	\$16,484,691	\$13,529,931
Individual S & A.....	3,522,597	3,330,668	3,083,400
Group Life.....	5,458,527	5,028,070	3,782,494
Group S & A.....	6,801,888	6,606,583	5,895,263
Total Premium Income.....	\$34,898,534	\$31,450,012	\$26,291,088
NET INVESTMENT INCOME.....	3,616,784	3,261,989	2,756,073
OTHER INCOME.....	693,541	445,235	247,404
Total Income.....	\$39,208,859	\$35,157,236	\$29,294,565
TOTAL POLICYOWNER BENEFITS.....	\$23,156,743	\$20,862,909	\$17,308,305
TOTAL EXPENSE.....	14,293,779	13,224,055	11,030,883
PROVISION FOR (or refund of) INCOME TAXES.....	360,000	50,000	—
NET GAIN FROM OPERATIONS after Taxes.....	\$ 1,398,337	\$ 1,020,272	\$ 955,377
Refund and Adjustment of Prior Years Income Taxes	—	—	—
Canadian Exchange Gains (Losses).....	(6,104)	703	(59,787)
REALIZED GAINS after Taxes.....	147,880	181,076	279,018
NET INCOME AND REALIZED GAINS.....	\$ 1,540,113	\$ 1,202,051	\$ 1,174,608
STATUTORY EARNINGS PER SHARE*	\$.29	\$.21	\$.20
ADJUSTED EARNINGS PER SHARE*	.99	.88	.87
BALANCE SHEET ITEMS:			
ASSETS			
Cash.....	\$ 1,085,520	\$ 1,809,101	\$ 951,409
Bonds.....	17,764,402	15,999,042	14,039,482
Stocks.....	3,674,008	2,742,488	2,491,956
Mortgage Loans.....	51,234,353	45,322,072	42,100,508
Policy Loans.....	4,057,246	3,614,596	3,271,682
Home Office Building, and Other Real Estate, Etc. (Net).....	4,355,547	4,224,980	3,009,771
Other Assets.....	7,030,967	6,314,436	6,444,420
Total Assets.....	\$89,202,043	\$80,026,715	\$72,309,228
LIABILITIES			
Policy Reserves.....	\$60,448,557	\$53,662,411	\$48,351,482
Other Liabilities.....	9,069,308	8,029,707	6,502,502
Capital Funds.....	19,684,178	18,334,597	17,455,244
Total Liabilities & Capital.....	\$89,202,043	\$80,026,715	\$72,309,228
NET RETURN ON INVESTMENTS.....	4.69%	4.71%	4.58%
ACTUAL TO REQUIRED INTEREST.....	198.4%	200.1%	190.7%
ACTUAL TO TABULAR MORTALITY.....	46.5%	53.8%	39.2%
NUMBER OF SALES OFFICES			
Regional Offices.....	1	2	2
Branch Offices.....	48	45	44
Brokerage Offices.....	24	20	16
Group Offices.....	5	5	5
Total Sales Offices.....	78	72	67
NUMBER OF SALARIED PERSONNEL			
Home Office Administration.....	325	312	294
Home Office Sales Administration.....	73	75	57
Branch Office Clerical.....	84	71	70
Total Salaried Personnel.....	482	458	421

*Reflects 4-for-3 stock distribution in 1965. Adjusted earnings calculated for the information of our shareholders on a basis frequently used by security analysts. See page-5.

for the years ended December 31

1962	1961	1960	1959	1958	1957	1956
\$12,252,699	\$10,522,663	\$ 9,596,717	\$ 8,868,304	\$ 8,428,642	\$ 7,556,716	\$ 6,495,646
2,891,446	2,750,154	2,537,458	2,474,262	2,351,337	2,362,891	2,396,802
3,145,821	2,833,898	2,598,321	2,230,752	1,740,596	1,260,062	947,833
5,397,684	4,855,948	4,532,517	3,607,764	3,206,816	2,797,133	2,327,259
\$23,687,650	\$20,962,663	\$19,265,013	\$17,181,082	\$15,727,391	\$13,976,802	\$12,167,540
2,230,445	1,979,400	1,677,214	1,428,838	1,175,254	1,012,850	975,148
264,182	458,170	380,485	306,701	203,653	147,813	215,700
\$26,182,277	\$23,400,233	\$21,322,712	\$18,916,621	\$17,106,298	\$15,137,465	\$13,358,388
\$16,245,627	\$14,064,037	\$12,472,013	\$10,705,812	\$ 9,624,872	\$ 8,371,635	\$ 7,416,860
9,607,426	8,392,583	7,927,626	7,078,213	6,757,262	5,820,778	5,136,016
(120,000)	182,511	(90,185)	112,003	155,374	97,951	76,930
\$ 449,224	\$ 761,102	\$ 1,013,258	\$ 1,020,593	\$ 568,790	\$ 847,101	\$ 728,582
(40,000)	40,000	(222,687)	77,437	146,337	(1,087)	—
(125,971)	(120,477)	—	—	—	—	—
71,298	68,070	135,222	17,065	13,833	4,236	47,875
\$ 354,551	\$ 748,695	\$ 925,793	\$ 1,115,095	\$ 728,960	\$ 850,250	\$ 776,457
\$.09	\$.16	\$.21	\$.21	\$.12	\$.18	\$.15
.73	.44	.39	.34	.37	.43	.38
\$ 1,153,845	\$ 1,059,499	\$ 709,368	\$ 459,431	\$ 735,097	\$ 347,134	\$ 294,857
12,382,239	10,966,495	9,284,833	7,690,504	6,302,556	5,367,392	4,036,871
2,157,936	1,784,370	977,474	830,697	671,628	517,501	483,575
29,624,376	27,197,438	25,075,565	22,650,471	19,931,008	18,019,795	16,517,198
2,892,215	2,533,317	2,139,048	1,681,857	1,444,075	1,248,442	1,087,171
2,594,318	2,109,840	2,054,672	2,080,641	2,079,650	1,473,593	1,359,103
4,932,047	4,394,277	4,254,998	3,526,506	3,230,768	2,749,394	2,439,661
\$55,736,976	\$50,045,236	\$44,495,958	\$38,920,107	\$34,394,782	\$29,723,251	\$26,218,436
\$43,400,748	\$37,746,953	\$33,682,698	\$29,765,709	\$26,387,026	\$22,959,850	\$20,153,032
5,377,013	5,593,483	4,960,919	4,255,661	4,017,262	3,371,938	3,209,396
6,959,215	6,704,800	5,852,341	4,898,737	3,990,494	3,391,463	2,856,008
\$55,736,976	\$50,045,236	\$44,495,958	\$38,920,107	\$34,394,782	\$29,723,251	\$26,218,436
4.55%	4.47%	4.34%	4.22%	3.95%	3.84%	3.80%
172.2%	175.3%	161.7%	155.9%	139.1%	141.2%	143.0%
48.3%	46.6%	45.2%	37.4%	33.0%	28.0%	35.4%
2	2	—	—	—	—	—
45	39	35	34	33	32	30
8	5	1	—	—	—	—
4	4	1	1	1	—	—
59	50	37	35	34	32	30
278	266	250	231	237	237	223
51	46	35	37	37	36	35
60	50	41	40	45	39	43
389	362	326	308	319	312	301

Operating Statistics... Part I

	1965	1964	1963
LIFE INSURANCE IN FORCE (In Thousands)			
WHOLE LIFE AND ENDOWMENT			
New Issues	\$ 64,624	\$ 57,652	\$ 51,743
Lapses and Surrenders, Less Reinstatements	28,430	25,290	21,283
Other Deductions (Net)	(14,341)	(14,103)	3,584
Increase in Inforce	50,535	46,465	26,876
In Force End of Year	387,418	336,883	290,418
TERM AND OTHER			
New Issues	342,253	380,079	378,346
Lapses and Surrenders, Less Reinstatements	161,708	130,424	109,766
Other Deductions (Net)	(19,362)	77,155	51,758
Increase in Inforce	199,907	172,500	216,822
In Force End of Year	1,375,492	1,175,585	1,003,085
GROUP			
New Issues	197,733	181,220	134,063
Lapses and Surrenders, Less Reinstatements	67,128	64,339	41,187
Other Deductions (Net)	53,264	(51,769)	(67,180)
Increase in Inforce	77,341	168,650	160,056
In Force End of Year	828,679	751,338	582,688
TOTAL ALL LINES			
New Issues	604,610	618,951	564,152
Lapses and Surrenders, Less Reinstatements	257,266	220,053	172,236
Other Deductions (Net)	19,561	11,283	(11,838)
Increase in Inforce	327,783	387,615	403,754
In Force End of Year	2,591,589	2,263,806	1,876,191
SICKNESS AND ACCIDENT PREMIUMS AND LOSSES			
Individual S&A Premiums Earned	\$3,522,596	\$3,330,669	\$3,083,400
Individual S&A Losses Incurred	1,777,606	1,560,700	1,585,817
Individual S&A Loss Ratio	50.5%	46.9%	51.4%
Group S&A Premiums Earned	\$6,801,889	\$6,606,583	\$5,895,263
Group S&A Losses Incurred	5,736,306	5,333,773	4,875,503
Group S&A Loss Ratio	84.3%	80.7%	82.7%
CANADIAN OPERATIONS (Extracted from Company Totals)			
Total Life Premium	\$2,811,701	\$2,781,550	\$2,509,247
Total S&A Premium	1,195,924	1,320,041	1,231,542
Net Investment Income	563,636	485,735	432,101
Net Return of Canadian Investments	5.48%	5.40%	5.35%
Insurance In Force Statistics (In Thousands)			
Total Life Insurance In Force	\$ 358,134	\$ 338,261	\$ 321,111
Total Life Insurance New Issues	72,546	62,801	51,941

for the years ended December 31

1962	1961	1960	1959	1958	1957	1956
\$ 43,178	\$ 43,972	\$ 42,971	\$ 36,041	\$ 41,931	\$ 39,165	\$ 26,488
20,571	20,659	20,112	19,378	16,944	13,042	8,611
1,996	3,140	2,638	2,023	1,199	1,411	981
20,611	20,173	20,221	14,640	23,788	24,712	16,896
263,542	242,931	222,758	202,537	187,897	164,109	139,397
352,905	166,495	97,157	81,611	108,685	110,608	92,943
80,615	62,993	62,324	56,212	54,712	41,572	33,082
30,871	18,046	21,970	14,498	11,297	6,493	1,860
241,419	85,456	12,863	10,901	42,676	62,543	58,001
786,263	544,844	459,388	446,525	435,624	392,948	330,405
65,616	10,164	38,837	38,046	55,034	29,808	36,854
24,516	18,653	14,554	11,221	10,100	7,368	5,273
(13,810)	(24,956)	(31,682)	(29,838)	(23,409)	(14,347)	(25,638)
54,910	16,467	55,965	56,663	68,343	36,787	57,219
422,632	367,722	351,255	295,290	238,627	170,284	133,497
461,699	220,631	178,965	155,698	205,650	179,581	156,285
125,702	102,305	96,990	86,811	81,756	61,982	46,966
19,057	(3,770)	(7,074)	(13,317)	(10,913)	(6,443)	(22,797)
316,940	122,096	89,049	82,204	134,807	124,042	132,116
1,472,437	1,155,497	1,033,401	944,352	862,148	727,341	603,299
\$2,891,446	\$2,750,154	\$2,537,458	\$2,474,262	\$2,351,337	\$2,362,891	\$2,396,802
1,430,655	1,235,464	1,221,859	1,190,217	1,195,500	1,288,882	1,209,803
49.5%	44.9%	48.2%	48.1%	50.8%	54.5%	50.5%
\$5,397,684	\$4,855,948	\$4,532,517	\$3,607,764	\$3,206,816	\$2,797,133	\$2,327,259
4,390,979	3,880,060	3,393,133	2,767,273	2,437,923	2,091,594	1,752,638
81.3%	79.9%	74.9%	76.7%	76.0%	74.8%	75.3%
\$2,372,364	\$2,199,361	\$2,157,873	\$1,929,828	\$1,539,465	\$1,153,409	\$ 866,184
1,251,136	1,232,084	1,628,252	1,700,984	2,015,161	1,810,604	1,555,233
343,747	271,181	201,314	147,149	108,824	80,757	62,644
4.96%	4.79%	4.50%	4.31%	4.14%	3.96%	4.06%
\$ 263,842	\$ 245,836	\$ 234,052	\$ 199,139	\$ 165,542	\$ 114,408	\$ 87,167
52,628	50,077	49,238	46,927	63,449	41,085	36,325

NORTH AMERICAN LIFE & CASUALTY COMPANY



1750 Hennepin Avenue, Minneapolis, Minnesota 55403

Securities Owned as of December 31, 1965

U.S. GOVERNMENT BONDS

	Rate	Maturity	Par Value
FHA Mutual Mtge. Ins. Fund, Series AA...	2½%	1981	\$ 1,900.00
FHA Mutual Mtge. Ins. Fund, Series AA...	3	1981	7,650.00
FHA Mutual Mtge. Ins. Fund, Series AA...	3½	1983	8,400.00
FHA Mutual Mtge. Ins. Fund, Series AA...	3¾	1982	14,150.00
FHA Mutual Mtge. Ins. Fund, Series AA...	3¾	1984	8,450.00
FHA Mutual Mtge. Ins. Fund, Series AA...	3¾	1983	10,100.00
FHA Mutual Mtge. Ins. Fund, Series AA...	3¾	1984	32,350.00
FHA Mutual Mtge. Ins. Fund, Series AA...	4	1984	26,200.00
United States Treasury...	4	1980	25,000.00
United States Treasury...	2½	1972	75,000.00
United States Treasury Bonds of 1980...	3½	1980	6,000.00
United States Treasury Bonds of 1998...	3½	1998	50,000.00
United States Treasury C...	2½	1972	135,000.00
Total U.S. Government Bonds....			\$ 400,200.00

CANADIAN GOVERNMENT BONDS

	Rate	Maturity	Par Value
Dominion of Canada.....	2¾	1974	\$ 10,000.00
Government of Canada.....	2¾	1968	50,000.00
Government of Canada.....	3½	1979	130,000.00
Government of Canada.....	3¾	1998	25,000.00
Total Canadian Government Bonds...			\$ 215,000.00

CANADIAN PROVINCIAL BONDS

	Rate	Maturity	Par Value
Alberta Municipal Financing Corporation...	5½	1983	\$ 25,000.00
Province of British Columbia Deb.....	3	1969	20,000.00
British Columbia Elec. Co., Ltd. 1st Mtge.....	5½	1988	25,000.00
British Columbia Elec. Co., Ltd. Series AA...	4	1986	30,000.00
British Columbia Elec. Co., Ltd. Series AC...	4½	1986	25,000.00
British Columbia Power Comm. S.F.....	5	1992	25,000.00
British Columbia Greater Nanaimo Sewer & Drainage Dist.....	6	1975	25,000.00
British Columbia Sch. Dist. #39 (Vancouver)...	5	1977	25,000.00
British Columbia Sch. Dist. #39 (Vancouver)...	5	1972-80	50,000.00
British Columbia Sch. Dist. #61 (Victoria)...	5	1975-76	25,000.00
Province of Manitoba Series 8G.....	5¾	1981	20,000.00
Province of Manitoba S.F. Deb.....	4¾	1970	25,000.00
Manitoba Hydro-Electric Bd. Ser. IG.....	5	1977	25,000.00
Manitoba Hydro-Electric Series IP.....	5¾	1983	25,000.00
Manitoba Hydro-Electric Series IT.....	6	1982	50,000.00
Manitoba Telephone Commission Series IA...	5½	1982	25,000.00
Province of New Brunswick Deb.....	4	1971	10,000.00
Province of Newfoundland S.F. Deb.....	5½	1983	25,000.00
Province of Ontario.....	4	1972	25,000.00
Province of Ontario.....	4	1972	10,000.00
Province of Ontario.....	4½	1976	50,000.00
Province of Ontario.....	5	1979	50,000.00
Province of Ontario.....	5½	1981	25,000.00
Ontario Hydro-Electric Power.....	3	1973	10,000.00
Ontario Hydro-Electric Power.....	3	1970	20,000.00
Ontario Hydro-Electric Power.....	3½	1979	30,000.00
Ontario Hydro-Electric Power.....	3½	1977	25,000.00
Ontario Hydro-Electric Power.....	4	1976	25,000.00
Ontario Hydro-Electric Power.....	4	1974	50,000.00
Ontario Hydro-Electric Power.....	4½	1974	25,000.00
Ontario Hydro-Electric Power.....	4¾	1975	25,000.00
Ontario Hydro-Electric Power.....	5	1977	25,000.00
Ontario Hydro-Electric Power.....	4¾	1975	30,000.00
Ontario Hydro-Electric Power.....	5	1977	20,000.00
Ontario Hydro-Electric Power.....	4½	1978	60,000.00
Ontario Hydro-Electric Power.....	5¾	1979	25,000.00
Ontario Hydro-Electric Power.....	5½	1981	25,000.00
Ontario Hydro-Electric Power.....	4¾	1975	125,000.00
Province of Quebec.....	2½	1971	30,000.00
Province of Quebec.....	5½	1990	50,000.00
Quebec Hydro-Electric Series AA.....	5½	1983	50,000.00
Quebec Hydro-Electric Series AB.....	5½	1985	25,000.00
Quebec Hydro-Electric Series AC.....	5½	1985	70,000.00
Quebec Hydro-Electric Series AF.....	5¾	1984	25,000.00
Quebec Hydro-Electric Series AN.....	5½	1984	25,000.00
Quebec Hydro-Electric Com. Sink. Fd. Deb. 6	6	1979	25,000.00
Province of Saskatchewan.....	5¾	1979	40,000.00
Province of Saskatchewan.....	5½	1982	25,000.00
Total Canadian Provincial Bonds....			\$ 1,525,000.00

U.S. STATE AND MUNICIPAL BONDS

	Rate	Maturity	Par Value
California:			
Carlsbad Municipal Water Dist., San Diego Co.....	5	1991	\$ 25,000.00
Campbell Union School District.....	1/20	1990	50,000.00
El Dorado County Sanitation.....	4½	1987	30,000.00
Los Alisos Water District.....	5½	1986	25,000.00
Midway City Sanitary Dist. Gen. Obl.....	4½	1983	10,000.00
Rainbow Mun. Water Dist., San Diego Co...	4½	1980,84	15,000.00
Ramona, Municipal Water District.....	5	1976	25,000.00
Santa Rosa Library.....	1/20	1995	60,000.00
Valley Center Water District.....	4	1992	25,000.00
Veterans' Bonds, Series CC.....	¾	1988	50,000.00
Colorado:			
Cherokee Water District.....	5	1979	50,000.00
Florida:			
Titusville, Gul. Ref. Series A.....	4	1971	8,000.00
Georgia:			
Clayton County School District.....	1/20	1993	90,000.00
Kentucky:			
Highway Bond.....	¾	1990	150,000.00
Louisiana:			
Jefferson Parish E. Bank Cons. Sew. Dist...	1/10	1992	100,000.00
Rapides Parish Pub. Improvement.....	1/10	1983	50,000.00
Maryland:			
Montgomery County Series I & O.....	1/10	1988	100,000.00
Wash. Suburban San. Dist. Series XXX...	3	1981	15,000.00
Wash. Suburban San. Dist. Gen. Constr...	2¾	1985	25,000.00
Michigan:			
Allegan and Bary Counties Schools.....	¾	1991	45,000.00
Brighton Area, Livingston County.....	¾	1993	90,000.00
Clawson School District.....	¾	1989	100,000.00
Coloma Community Schools.....	1/10	1990	60,000.00
Fremont Public Schools.....	¾	1989	45,000.00
Kent County Sewer Dept.....	1/20	1991,93	90,000.00
Macomb County Drainage Dist.....	¾	1992	150,000.00
Macomb County Drain Series A.....	¾	1994	45,000.00
Marion P.S., Osceola City.....	¾	1991	60,000.00
Niles Put. School Distr. No. 60.....	1/10	1990	120,000.00
Oakland County School Dist. #4.....	1/10	1989,90	140,000.00
Oakland County Sewage Disp. System.....	¾	1992	150,000.00
Oakland City, Southfield Pub. Sch. Ser. II...	¾	1991	110,000.00
Port Huron School Bldg. and Site.....	1/10	1986	100,000.00
Royal Oak School Bldg. & Site.....	¾	1988	105,000.00
Wayne County Drainage.....	¾	1995	70,000.00
Wyoming Water System.....	¾	2003	150,000.00
Minnesota:			
Babbitt, St. Louis Co., Ind. Sch. Dist. #83...	4.90	1973	25,000.00
Balaton School District #46.....	3.40	1970	10,000.00
Barrett Sewer.....	4.20	1987,91	25,000.00
Belgrade Nursing Home.....	4	1983,84	25,000.00
Belview Nursing Home.....	4	1987	25,000.00
Bloomington Improvement.....	3.80	1983	50,000.00
Bloomington School Dist. #271.....	3.90	1983,87	40,000.00
Bloomington School Dist. #271.....	3.90	1983,90	50,000.00
Bloomington School Dist. #271.....	3.80	1987	25,000.00
Bloomington Perm. Imp. Rev. Ed.....	3.60	1981	50,000.00
Brooklyn Center Imp. Bd. Series 3.....	3	1979	30,000.00
Columbia Heights Ind. School Dist. #65...	3	1971,76	20,000.00
Crystal San. Sewer Improvement.....	3.30	1967	5,000.00
Douglas & Pope Cts. Jt. Ind. Sch. Dist. #42...	4.80	1977,78	15,000.00
Duluth Municipal Arena-Auditorium.....	1/10	1992,93	220,000.00
Hawley Improvement.....	3.80	1984,86	30,000.00
Hennepin Co. Com. Sch. Dist. #118.....	4.90	1972,73	30,000.00
Hennepin Co. Ind. Cons. Sch. Dist. #144...	3	1973,79	20,000.00
Hennepin Co. Ind. Sch. Dist. #12.....	3.20	1973,77	20,000.00
Hennepin Co. Meadowbrook Ind. Sch. Dist. #89.....	5	1981	10,000.00
Herman Jt. Ind. Cons. Sch. Dist. #3.....	3.90	1972-77	30,000.00
Hills Village, Sewer.....	3.90	1984-86	30,000.00
Howard Lake Village Improv.....	3.90	1985-86	40,000.00
Long Prairie Ind. Cons. Sch. Dist. #11...	3.80	1974	5,000.00
Long Prairie Ind. Cons. Sch. Dist. #11...	3.90	1975	9,000.00
Mazeppa Jt. Ind. Sch. Dist. #50-141.....	3.70	1976	10,000.00
Mounds View Impr.....	3.90	1986	15,000.00
Mounds View Impr.....	4	1987-89	20,000.00
Mounds View Ind. School Dist.....	3.90	1991	25,000.00
Olivia Water Aeration & Filter Plant.....	4	1974	5,000.00
Osseo Henn. Co. Ind. Sch. Dist. #279...	4.80	1979-82	25,000.00
Osseo Ind. School Dist. #279.....	3.90	1990-91	50,000.00
Osseo Ind. School Dist. #279.....	3¾	1991	25,000.00
Osseo Ind. School Dist. #279.....	3¾	1993	9,000.00
Ramsey County Hospital Facility Ser. B. 1/10		1992	60,000.00

	Rate	Maturity	Par Value
Ramsey Co., Roseville Ind. Sch. Dist. #3. 2		1975	25,000.00
Ramsey Co., Roseville Ind. Sch. Dist. #3. 4.10		1971	5,000.00
Ramsey Co., Roseville Ind. Sch. Dist. #3. 4.20		1977-85	11,000.00
Richfield Ind. Sch. Dist. #280. 4.70		1981	25,000.00
Robbinsdale Ind. Sch. Dist. #281. 2		1987	50,000.00
St. Anthony G. O. Improvement. 4.80		1974-75	10,000.00
Spring Lake Park Village Sewer. 4		1985-87	25,000.00
Tonka Bay Sewer Impr. Series I. 3.80		1982	65,000.00
Trimont Sewer. 3 3/4		1984-89	20,000.00
Truman Sewer Improvement. 3.70		1969-71	4,000.00
Truman Sewer Improvement. 3.80		1972-75	20,000.00
Tyler Ind. School Dist. #409. 2		1987-89	70,000.00
Verdale Sanitary Sewer Improvement. 4.40		1976-80	40,000.00
Waterville Sanitary Sewer & Sewage Pt. 4.80		1974-75	9,000.00
Waterville Sanitary Sewer & Sewage Pt. 4.90		1982	15,000.00
Winthrop Sanitary Sewer Improvement. 4		1972-76	30,000.00
Mississippi:			
Bridge Revenue. 5		1999	20,000.00
New York:			
Corporate Stock. 4 1/4		1972	25,000.00
Housing Auth. Dyckman Houses. 3 3/4		1978	15,000.00
Housing Auth. Pelham Parkway Houses. 3 3/4		1979	15,000.00
North Carolina:			
Charlotte, Sanitary Sewer Series A. 1/10		1990	100,000.00
North Dakota:			
Grand Forks Refunding Improvement. 4 3/4		1976	25,000.00
Tennessee:			
Dyer County High School. 3 1/2		1975-76	15,000.00
Johnson County Gen. Obl. School. 3 3/4		1981	10,000.00
Madisonville Water & Sewer Imp. 3 3/4		2001	25,000.00
Shelby County School Bonds. 1/10		1986	100,000.00
Texas:			
Edinburg, Junior College Dist. Sch. Bldg. 3 1/2		1968	10,000.00
Fort Worth Street Imp. 1/10		1987	110,000.00
Texas Western Municipal Gas Corp. Mtge. 5		2000	50,000.00
Washington:			
Bellevue Street Impr. 1/10		1983-84	205,000.00
Total U.S. State and Munic. Bonds. 5			\$4,765,000.00

CANADIAN MUNICIPALS

	Rate	Maturity	Par Value
Burnaby, District of, British Columbia. 5 1/2		1972-76	\$ 25,000.00
Burnaby, District of, British Columbia. 5 1/4		1973-77	50,000.00
Prince Rupert, City of, British Columbia. 6		1975-79	35,000.00
Quesnel, Town of, British Columbia. 5 1/2		1978-82	48,000.00
Revelstoke, City of, British Columbia. 5 3/4		1978-83	41,000.00
Saanich, District of, British Columbia. 6		1966-70	27,000.00
Vancouver, British Columbia. 6		1980	25,000.00
Vancouver, British Columbia Deb. 5		1970	10,000.00
Vancouver, British Columbia Ser. Deb. 5 1/2		1970-79	33,000.00
Vancouver, British Columbia S. F. Deb. 5 3/4		1977	25,000.00
North Vancouver, City of, British Columbia. 5 1/2		1974-76	30,000.00
West Vancouver, District of, British Columbia. 5 1/2		1979-83	25,000.00
Brandon, City of, Manitoba Deb. 5 1/2		1966-68	24,000.00
Brandon, City of, Manitoba. 5 3/4		1975-79	40,000.00
Brandon, City of, Manitoba. 6		1966-71	24,000.00
Brandon, City of, Manitoba. 6		1969-70	26,000.00
Brandon, City of, Manitoba Local Imp. Deb. 6		1973	32,000.00
Dauphin, Town of, Manitoba. 6 1/4		1966-70	32,000.00
East Kildonan, City of, Manitoba. 5 3/4		1967-72	30,000.00
Portage La Prairie, City of, Manitoba. 5 1/2		1972	26,000.00
St. Boniface, City of, Manitoba. 5 3/4		1974-83	50,000.00
Winnipeg, Manitoba. 4 1/4		1972	15,000.00
Winnipeg, Manitoba. 3 3/4		1966	50,000.00
Winnipeg, Manitoba. 5 1/2		1980-83	50,000.00
Winnipeg, Manitoba Debentures. 5 1/4		1967	25,000.00
Winnipeg, Manitoba Debentures. 5 1/4		1967	10,000.00
Winnipeg, Manitoba General Hospital Deb. 5 1/2		1968-72	50,000.00
Winnipeg, Manitoba Serial Debentures. 5		1969-78	50,000.00
Cornerbrook, City of, Newfoundland. 5 3/4		1973-77	25,000.00
Halifax, Nova Scotia. 4 1/4		1971	10,000.00
Halifax, City of, Nova Scotia. 5 3/4		1975	25,000.00
Albion, Township of, Ontario. 5 1/2		1978-83	30,000.00
Aldborough, Township of, Ontario. 5 3/4		1980-84	30,000.00
Ancaster, Township of, Ontario. 6		1975-79	33,100.00
Ancaster, Township of, Ontario. 5 3/4		1975-81	34,000.00
Athens, Village of, Ontario. 5 3/4		1978-83	37,000.00
Augusta, Township of, Ontario. 5 1/2		1973-75	30,000.00
Aurora, Town of, Ontario. 6 1/4		1971-75	25,000.00
Aurora, Town of, Ontario. 6		1969-75	25,000.00
Belleville, City of, Ontario. 5 1/2		1972	26,000.00
Bertie, Township of, Ontario. 6		1966-72	30,000.00
Bertie, Township of, Ontario. 6		1978-79	26,000.00
Bowmanville, Town of, Ontario. 5 3/4		1976-80	23,000.00
Burlington, Town of, Ontario. 5 3/4		1973-77	25,000.00
Burlington, Town of, Ontario. 5 1/2		1976-80	50,000.00
Camden East, Township of, Ontario. 6		1974-79	46,000.00
Cobourg, Town of, Ontario. 5 3/4		1972-74	31,000.00
Cornwall, City of, Ontario. 6		1971-75	50,000.00
Cornwall, City of, Ontario. 6		1972-81	28,000.00
Cornwall, City of, Ontario. 6		1971	49,908.37
Cornwall, City of, Ontario Deb. 5 1/2		1966-68	15,000.00
Cornwall, City of, Ontario. 6		1968-72	29,000.00
Cornwall, City of, Ontario. 6		1968-72	8,000.00
Cornwall, City of, Ontario. 5 1/2		1968-72	25,000.00
Crosby South, Township of, Ontario. 6 1/2		1973	22,000.00
Crowland, Township of, Ontario. 5 1/2		1967-68	31,000.00
Darlington, Township of, Ontario. 5 1/2		1977-83	27,000.00
Dundas, Town of, Ontario. 6		1968-75	35,000.00
Dunnville, Town of, Ontario. 5 1/2		1974-78	40,900.00

	Rate	Maturity	Par Value
Elizabethtown, Township of, Ontario. 5 1/2		1979-83	43,000.00
Erin, Village of, Ontario. 5 3/4		1973-76	38,000.00
Front of Escott, Township of, Ontario. 5 3/4		1976-79	36,000.00
Frontenac County, Ontario. 5 3/4		1976-80	25,000.00
Fort Erie, Town of, Ontario. 6 1/4		1968-72	32,200.00
Fort William, City of, Ontario. 6		1978-79	25,000.00
Fort William, City of, Ontario. 5 3/4		1968-72	25,000.00
Georgetown, Town of, Ontario. 6 1/2		1973-76	30,000.00
Graham, Township of, Ontario. 6 1/2		1968-69	27,000.00
Graham, Township of, Ontario. 6 1/4		1966-70	25,000.00
Grey County, Ontario. 6 1/4		1966-69	40,000.00
Haldimand County, Ontario. 5		1969-78	25,000.00
Haldimand, County of, Ontario. 6		1974-78	50,000.00
Halton County, Ontario. 5 1/2		1971-78	35,000.00
Halton County, Ontario. 6		1975-79	50,000.00
Halton County, Ontario. 6		1975-79	50,000.00
Halton, County of, Ontario. 5 3/4		1972-76	31,000.00
Hamilton, City of, Ontario. 6		1973-80	35,000.00
Hamilton, City of, Ontario. 6 1/2		1966-73	15,000.00
Hamilton, City of, Ontario. 5 3/4		1972-74	25,000.00
Hamilton, City of, Ontario. 5 1/2		1977-81	32,000.00
Hamilton, City of, Ontario Debentures. 5		1969-78	25,000.00
Hamilton, City of, Ontario S.F. Deb. 5 1/4		1977	40,000.00
Hamilton, City of, Ontario S.F. Deb. 5 3/4		1971	10,000.00
Hastings, County of, Ontario. 6		1966-69	36,000.00
Kingston, City of, Ontario. 5 1/2		1975-79	25,000.00
Kingston, Township of, Ontario. 6		1970-74	24,000.00
Kitchener, City of, Ontario. 5		1966-68	15,000.00
Kitchener, City of, Ontario. 5 3/4		1967-71	25,000.00
Kitchener, City of, Ontario. 5 1/4		1967-71	25,000.00
Lambton County, Ontario. 6 1/4		1979	50,000.00
Lambton County, Ontario. 5 1/2		1977-81	41,000.00
Lennox and Addington Counties, Ontario. 5 3/4		1981-85	50,000.00
Markham, Village of, Ontario. 5 3/4		1980-84	55,000.00
Markham, Township of, Ontario. 5 3/4		1977-81	31,600.00
Markham, Township of, Ontario. 6 1/4		1978-82	25,000.00
Markham, Township of, Ontario. 5 3/4		1979-83	50,000.00
Metropolitan Toronto, Ontario Deb. 5		1972	10,000.00
Municipality of Met. Toronto, Ontario. 5 1/2		1981	25,000.00
Municipality of Met. Toronto. 5 1/2		1982	25,000.00
Municipality of Met. Toronto. 5 1/2		1982	50,000.00
Municipality of Met. Tor., Ont., Ins. Deb. 3 3/4		1973	25,000.00
Municipality of Met. Tor., Ont., S.F. Deb. 3 1/2		1975	10,000.00
Municipality of Met. Tor., Ont., S.F. Deb. 3 3/4		1985	15,000.00
Municipality of Met. Toronto, Ont., Deb. 3 3/4		1975	25,000.00
Municipality of Met. Toronto, Ont., Deb. 4 1/2		1976	25,000.00
Municipality of Met. Tor., Ont., S.F. Deb. 5		1977	75,000.00
Municipality of Met. Tor., Ont., S.F. Deb. 4 3/4		1978	50,000.00
Municipality of Met. Toronto, S.F. Deb. 6		1979	25,000.00
Nepean, Township of, Ontario. 6		1966-71	40,000.00
Niagara Falls, City of, Ontario. 5 3/4		1973-82	25,000.00
Norfolk County, Ontario Deb. 5 1/2		1966-77	13,000.00
Nottawasaga, Township of, Ontario. 6		1978	30,000.00
Oakville, Town of, Ontario. 6		1968-70	34,000.00
Oakville, Town of, Ontario. 5 3/4		1969-73	25,000.00
Oakville, Town of, Ontario Deb. 6		1967-73	25,000.00
Oakville, Town of, Ontario Deb. 5 1/2		1968-78	16,000.00
Orillia, Town of, Ontario. 5 3/4		1972	26,000.00
Orillia, Town of, Ontario. 5 3/4		1973-76	20,000.00
Orillia, Town of, Ontario Deb. 5 1/4		1972-76	25,000.00
Oshawa, City of, Ontario. 5 1/2		1970-79	30,000.00
Oshawa, City of, Ontario Deb. 5 1/2		1966-67	4,000.00
Ottawa, Ontario. 5 1/2		1980-84	50,000.00
Paris, Town of, Ontario. 5 3/4		1972-81	32,000.00
Penetanguishene, Town of, Ontario. 6		1974-75	41,000.00
Peterborough, City of, Ontario. 5 1/2		1966-68	18,000.00
Peterborough, City of, Ontario. 6 1/2		1966-68	30,000.00
Peterborough, City of, Ontario. 5 3/4		1969	61,000.00
Pickering, Township of, Ontario. 5 3/4		1967-72	39,000.00
Pickering, Township of, Ontario. 6		1973-77	32,000.00
Pickering, Township of, Ontario. 5 3/4		1977-82	32,000.00
Port Arthur, City of, Ontario. 5 3/4		1969-73	40,000.00
Port Arthur, City of, Ontario. 5 3/4		1970-77	36,000.00
Port Arthur, City of, Ontario. 5 3/4		1970-74	25,000.00
Port Hope, Town of, Ontario. 6		1967-76	37,900.00
Preston, Town of, Ontario. 6 1/4		1966-69	25,000.00
Renfrew, County of, Ontario. 6		1973	20,000.00
Richmond Hill, Town of, Ontario. 5 3/4		1975-79	44,000.00
Romney, Township of, Ontario. 5 1/2		1982-84	48,000.00
St. Catherine, City of, Ontario. 5 1/4		1977	25,000.00
Sandwich East, Township of, Ontario. 6		1969-71	27,000.00
Sandwich East, Township of, Ontario. 5 1/2		1969-71	30,000.00
Sarnia, City of, Ontario. 6 1/2		1968-69	25,000.00
Sarnia, City of, Ontario. 5 3/4		1969-70	40,000.00
Sault Ste. Marie, City of, Ontario. 5		1974-78	25,000.00
Smith's Falls, Town of, Ontario. 6		1967-70	35,600.00
Smith's Falls, Town of, Ontario. 6		1966-71	28,800.00
Smith's Falls, Town of, Ontario. 6		1968-72	38,800.00
Stamford, Township of, Ontario. 5 1/2		1969-73	25,000.00
Stamford, Township of, Ontario. 5 3/4		1966-71	38,000.00
Stamford, Township of, Ontario Deb. 5 3/4		1970-78	25,000.00
Stamford, Township of, Ontario. 6 1/2		1970-79	25,000.00
Stratford, City of, Ontario. 5 1/4		1966-73	25,000.00
Stratford, City of, Ontario Deb. 5 1/2		1975-78	25,000.00
Sudbury, City of, Ontario. 5 3/4		1966-70	50,000.00
Sudbury, City of, Ontario. 5 3/4		1973-77	25,000.00
Sudbury, City of, Ontario. 5 1/2		1975-84	71,000.00
Tillsonburg, Town of, Ontario. 5 3/4		1976-80	40,000.00
Toronto, Township of, Ontario Deb. 5 1/4		1969-78	25,000.00
Toronto, Township of, Ontario Deb. 5 1/2		1969-78	50,000.00
Toronto, Township of, Ontario. 5 1/2		1968-72	25,000.00
Trafalgar, Township of, Ontario. 6 1/2		1971-75	25,000.00
Trafalgar, Township of, Ontario. 6 1/4		1968-77	50,000.00
Trafalgar, Township of, Ontario Deb. 6		1966-78	23,000.00
Trenton, Town of, Ontario. 6		1966-70	43,300.00
Trenton, Town of, Ontario Ser. Deb. 4		1966-68	15,000.00
Vaughan, Township of, Ontario. 6 1/4		1970-78	50,000.00
Vaughan, Township of, Ontario. 6		1974-81	32,000.00

	Rate	Maturity	Par Value		Rate	Maturity	Par Value
Vaughan, Township of, Ontario.....	5½	1977-81	40,000.00	New York:			
Vaughan, Township of, Ontario.....	5½	1974-78	50,000.00	State Dorm. Auth. State Univ. Ser. A....	1/10	1994	50,000.00
Walpole, Township of, Ontario.....	5½	1980-83	40,000.00	State Dorm. Auth. State Univ.....	1/10	1994	150,000.00
Waterloo, City of, Ontario Deb.....	5½	1966	2,000.00	State Dorm. Auth. Ithaca Col. Ser. A....	1/10	1994	200,000.00
Welland, City of, Ontario.....	5½	1977-84	33,000.00	State Dorm. Auth. Ithaca College.....	1/10	1994	100,000.00
Welland, County of, Ontario.....	6¼	1966-68	20,000.00	State Dorm. Auth. Skidmore Col. Ser. A....	1/10	1994	185,000.00
Welland, City of, Ontario Debentures.....	6	1970-74	25,500.00	Power Auth. Gen. Rev. Ser. F.....	4.20	2006	25,000.00
Welland, City of, Ontario Deb. Ser. C-1.....	6	1973-75	3,500.00	North Carolina:			
Wentworth County, Ontario.....	5½	1967-69	30,000.00	Spray Water & Sewer.....	4½	1970	20,000.00
Wentworth County, Ontario.....	5½	1967-68	24,000.00	North Dakota:			
Wentworth County, Ontario.....	5½	1977-81	25,000.00	Mayville State College Rev.....	3.90	1993-95	50,000.00
Whitby, Town of, Ontario.....	5½	1978-80	37,000.00	South Carolina:			
Windsor, City of, Ontario Ser. Deb.....	5½	1970-77	22,000.00	Clinton-Newberry Nat. Gas Sys. Rev.....	3½	1966-72	25,000.00
York County, Ontario.....	6	1969	25,000.00	Tennessee:			
York County, Ontario.....	6	1973-77	25,000.00	Bloomington Util. Dist. Sullivan Co.....	5	1976	20,000.00
Granby, City of, Quebec.....	5½	1975-76	44,000.00	Cumberland Utility Distr.....	5½	1984-85	25,000.00
LaSalle, City of, Quebec (Jacques-Cartier).....	5½	1978	25,000.00	Dayton Waterworks, Sewer Rev. & Tax.....	4½	1982-83	22,000.00
Montreal Metropolitan Corporation, Quebec.....	5½	1969-78	25,000.00	Dickson Natural Gas System Revenue.....	3¾	1969	10,000.00
Montreal, Quebec Ser. Deb.....	4	1974	10,000.00	Hallsdale-Powell Util. Dist. San. Sewer.....	4.60	1993	32,000.00
Montreal, Quebec S.F. Deb.....	5½	1977	50,000.00	Jacksboro Util. Dist. Campbell Co. W.W.....	4½	1988, 90-91	27,000.00
Montreal, Quebec Sinking Fund Deb.....	5½	1979	25,000.00	Jefferson & Cocke Cos. Nat. Gas Sys. Rev.....	5½	1973	25,000.00
Montreal, Quebec S. F. Deb. Series B.....	6	1979	50,000.00	Knox County Utility District.....	4¾	1992	25,000.00
Montreal, City of, Quebec.....	5½	1981-88	63,000.00	Luttwell-Blaine-Corryton Util. Distr.....	5½	1995-96	40,000.00
Montreal, City of, Quebec.....	5½	1989	25,000.00	Memphis Elec. Lt. Plant Rev. Ser. A.....	4.40	1992	10,000.00
Montreal, Quebec, Trans. Com. S.F. Deb.....	4½	1973	20,000.00	Middle Tenn. Util. Dist. Refunding C.....	1¾	1999	25,000.00
Estevan, City of, Saskatchewan.....	5½	1975-81	23,500.00	North Anderson County Util. Distr.....	4¾	2004	30,000.00
Moose Jaw, City of, Saskatchewan.....	5½	1976-77	37,000.00	Woodlawn Util. Distr. Montgomery Co.....	4¾	1990-92	33,000.00
Moose Jaw, City of, Saskatchewan.....	5½	1978	34,000.00	Woodlawn Util. Distr. Montgomery Co.....	4¾	1992-94	25,000.00
Regina, City of, Saskatchewan.....	5½	1976	50,000.00	Texas:			
Regina, City of, Saskatchewan Deb.....	5½	1978	25,000.00	Houston Airport Systems Rev.....	1/10	1995	200,000.00
Regina, City of, Saskatchewan S.F. Deb.....	5	1978	35,000.00	Utah:			
Saskatoon, Saskatchewan.....	5½	1978-87	25,000.00	Ogden Water System Revenue.....	1/10	1990	115,000.00
Weyburn, City of, Saskatchewan.....	6¼	1966-70	36,000.00	Ogden, Weber Co., Sewer System.....	1	1992	45,000.00
Weyburn, City of, Saskatchewan.....	6	1969-71	35,000.00	Washington:			
Total Canadian Municipal Bonds.....			\$6,337,608.37	Chelan County Public Util. Dist. 1.....	5	2013	42,000.00

REVENUE BONDS

	Rate	Maturity	Par Value		Rate	Maturity	Par Value
Alabama:				Clark County Pub. Util. Dist. No. 1.....	1/10	1988	80,000.00
Brent Utility Board.....	4¾	1989-91	\$ 26,000.00	Grant Co. Pub. Util. Dist. No. 2.....	4¾	2000	15,000.00
Brookside Waterworks Board.....	5	1993-95	43,000.00	Grant Co. Utility Distr. No. 2.....	3.80	1993	20,000.00
Camp Hill Utility Board.....	5	1995-96	41,000.00	Toll Br. Auth. Rev. Second Lake.....	4.90	2000	25,000.00
Cherokee Waterworks Supply Board.....	4¾	1990-94	43,000.00	West Virginia:			
Cullman Jefferson Cos. Gas Dist. 1st Mtge.....	5	1990	25,000.00	Park Development Rev.....	4	1980	12,000.00
Daleville Water.....	4¾	1987-89	37,000.00	Wisconsin:			
DeKalb-Cherokee Cos. Gas Dist. 1st Mtge.....	5	1990	50,000.00	Bloomer Munic. Hospital Mtge. Rev.....	5	1976	25,000.00
East Central Gas Dist. Nat. Gas Rev.....	5½	1990	25,000.00	Boyceville Sew. Sys. Mtge. Rev.....	4½	1972-77	17,000.00
Huntsville Medical Clinic.....	5½	1984	25,000.00	Kronenwetter Sanitary Distr. #1.....	4¾	1977-80	29,000.00
Oneonta 1st Mtge. Nat. Gas Rev. Ser. A.....	4	1973-76	14,000.00	Osseo Hospital Rev.....	4¾	1990, 92-93	15,000.00
Russellville Gas Board.....	4½	1966-74	45,000.00	Total Revenue Bonds.....			\$3,713,819.24
Section 1st Mtge. Waterworks Board.....	5½	1992	35,000.00				
Sheffield Sewer, Water & Gas.....	1/10	1994	60,000.00				
Arkansas:							
Mena Gas Trans. & Dist. Sys. Rev. Cons.....	3¾	1970	25,000.00				
California:							
Toll Bridge Auth. Richmond-San							
Rafael Br. Rev.....	3¾	1992	10,000.00				
Fresno Airport Rev. Bond Ser. A.....	5½	1977-79	25,000.00				
Imperial County Irr. Dist. Elec. Rev.....	3	1972	10,000.00				
Lemoore Tropical Gardens Street Imp.....	6	1966-77	38,819.24				
Ukiah Sewer Revenue.....	4¾	1981-82	15,000.00				
Florida:							
Clearwater.....	1	1989	55,000.00				
Cocoa Sewer Revenue.....	5	1983-86	25,000.00				
Cocoa Beach Improvement.....	4	1991	25,000.00				
Jacksonville Expressway Auth.....	4	1992	50,000.00				
Key West Elec.....	4	1994	30,000.00				
Lake Apopka Nat. Gas Dist.....	5½	1980	25,000.00				
Lake Wales Water Rev. and Impr.....	1	1999	75,000.00				
Manatee County Water Rev.....	4.20	1999	50,000.00				
Palatka Nat. Gas Sys. Rev. Ctf.....	5½	1989	25,000.00				
St. Petersburg Utility Tax Certificate.....	1/10	1983	50,000.00				
Tallahassee Mun. Electric Rev.....	1/10	1990	100,000.00				
Georgia:							
Cochran Nat. Gas Rev. Antic. Ctf.....	4½	1971	10,000.00				
Gainesville Water & Electric Rev.....	1/10	1998	180,000.00				
Hawkinsville Nat. Gas Rev. Antic. Ctf.....	4½	1971	10,000.00				
Houston County Water Rev.....	5½	1983-84	25,000.00				
Talbotton Nat. Gas Rev. Antic. Ctf.....	3½	1974-80	10,000.00				
Illinois:							
Bushnell Gas Rev.....	4	1989	45,000.00				
Chicago-O'Hare International Airport.....	4¾	1999	20,000.00				
Chicago Transit Auth. Rev. of 1952.....	4½	1982	22,000.00				
Clay City Gas Utility Ref.....	5½	1980-82	30,000.00				
Toll Highway Commission.....	4¾	1998	50,000.00				
Kentucky:							
Turnpike Auth. Toll Rev.....	4.10	2002	25,000.00				
Whitesburg Water Revenue.....	3½	1966-69	7,000.00				
Louisiana:							
Greater Livingston Water Company.....	4½	1997	25,000.00				
Jefferson Parish, Hospital Rev.....	4	1993	25,000.00				
Monroe Water and Electric Rev.....	2¾	1977	20,000.00				
Massachusetts:							
Port Authority Rev. Ser. A.....	4¾	1998	9,000.00				
Minnesota:							
Elbow Lake Hospital District.....	4.60	1975-77	25,000.00				
Mpls. Sports Area Revenue Series D.....	2½	1989	20,000.00				
State College Board Ser. D.....	3¾	2000	50,000.00				
Proctor L.S. Rev. Ctf.....	4½	1967-68	10,000.00				
Warren Municipal Gas Revenue.....	4.90	1976, 81, 83	29,000.00				
Missouri:							
St. Louis Water Revenue.....	1/10	1993	65,000.00				
Montana:							
State Bd. Ed. Northern Montana College.....	4	1975-76	20,000.00				
State Bd. Ed. No. Montana Col. Ser. B.....	4.70	1980-83	35,000.00				
New Jersey:							
Madison, Township, Utility Rev.....	4.35	1999	50,000.00				

	Rate	Maturity	Par Value
So. Calif. Edison Co. 1st & Ref. Mtge. Ser. A 3½		1973	25,000.00
So. Calif. Edison Co. 1st & Ref. Mtge. Ser. K 4½		1983	50,000.00
Tennessee Gas Transmission Company..... 6		1977	16,000.00
Tennessee Gas Transmission Company..... 5		1978	19,000.00
Tennessee Gas Transmission Company..... 5½		1981	24,000.00
Tennessee Gas Transmission Company..... 5		1982	25,000.00
Tennessee Gas Trans. Co. 1st Mtge. Pipeline 3½		1975	25,000.00
Tennessee Gas Trans. Co. 1st Mtge. Pipeline 5¼		1977	18,000.00
Tennessee Gas Trans. Co. 1st Mtge. Pipeline 5½		1979	18,000.00
Tennessee Gas Trans. Co. 1st Mtge. Pipeline 4½		1983	43,000.00
Tennessee Gas Transmission Co..... 5¼		1985	25,000.00
Texas East. Trans. Corp. 1st Mtge. Pipeline 5½		1977	19,000.00
Texas East. Trans. Corp. 1st Mtge. Pipeline 4½		1978	21,000.00
Texas East. Trans. Corp. 1st Mtge. Pipeline 4½		1979	22,000.00
Texas East. Trans. Corp. 1st Mtge. Pipeline 4½		1981	24,000.00
Texas Electric Service Company 1st Mtge..... 2½		1975	25,000.00
Texas Gas Transmission Corporation..... 5		1982	25,000.00
Texas Power & Light Co. S.F. Debenture..... 3¼		1973	9,000.00
Transcont. Gas Pipeline Corp. 1st Mtge..... 4½		1978	50,000.00
Transcont. Gas Pipeline Corp..... 4½		1982	24,000.00
Transcont. Gas Pipeline Corp. 1st Mtge..... 5		1979	23,000.00
Transcont. Gas Pipeline Corporation..... 6½		1978	16,000.00
Transcont. Gas Pipeline Corp. 1st Mtge..... 5		1981	46,000.00
Western Union Telegraph Company..... 5		1992	50,000.00
Western Union Telegraph Company..... 5¼		1987	25,000.00
Wisconsin Electric Power Co. 1st Mtge..... 2½		1976	25,000.00
Wisconsin Electric Power Co. 1st Mtge..... 5		1990	25,000.00
Total Public Utility Bonds.....			\$1,776,000.00

INDUSTRIAL AND MISCELLANEOUS BONDS

	Rate	Maturity	Par Value
Aldens, Inc. Sinking Fund..... 5½		1981	\$ 25,000.00
American Cement Corporation S.F. Deb..... 5		1978	22,000.00
American Tobacco Co. 25 Yr. Debenture..... 3¼		1977	9,000.00
Associates Investment Co., Senior Deb..... 5½		1979	20,000.00
Associates Investment Co., Senior Deb..... 5¼		1977	10,000.00
Associates Investment Co., Sub. Deb..... 5¼		1977	14,000.00
Atlas Credit Corporation..... 5½		1984	34,000.00
Beneficial Finance Co. Twenty Year Deb..... 5		1977	35,000.00
Beneficial Finance Co. Deb..... 5		1990	25,000.00
Burroughs Corporation S.F. Deb..... 4½		1983	25,000.00
Canadian-American Financial Corp..... 5½		1976	400,000.00
C.I.T. Financial Corp., Debenture..... 4½		1979	25,000.00
C.I.T. Financial Corp., Serial Deb..... 4¼		1969	25,000.00
Celanese Corporation of America Deb..... 3½		1976	15,000.00

	Rate	Maturity	Par Value
Chicago Luth. Hosp. Ass'n. 1st Mtge.			
Ser. A. Walther Mem..... 5.40		1977	50,000.00
Church of Holy Cross, Mpls., Minn.			
1st Ref. Mtge..... 4		1967	5,000.00
Church of St. Char., Borromeo, Minn.			
1st Mtge. Ser. A..... 3¾		1967	15,000.00
Commercial Credit Company..... 4¾		1980	50,000.00
Commercial Credit Company..... 5		1977	25,000.00
Control Data Corp. S.F. Deb..... 5		1985	25,000.00
John Deere Credit Company Series B..... 4¾		1981	25,000.00
John Deere Credit Company Deb. Series A..... 4¾		1985	25,000.00
Doughboy Industries, Inc. Cov. Sub. Deb..... 5¾		1977	25,000.00
The Garrett Corporation..... 5¾		1982	25,000.00
General Acceptance Corp. Sr. Deb..... 6		1980	42,000.00
General Acceptance Corp. Sr. Deb..... 5½		1976	66,000.00
General Acceptance Corp. Sr. Deb..... 4½		1983	50,000.00
General Motors Accept. Corp. 17 Yr. Deb..... 3½		1972	20,000.00
General Motors Accept. Corp. Deb..... 5		1977	50,000.00
General Motors Accept. Corp. 21 Yr. Deb..... 5		1980	25,000.00
General Motors Acceptance Corp..... 4¾		1987	50,000.00
General Telephone & Electronics Corp..... 4¾		1987	40,000.00
General Telephone & Electronics Corp. S.F..... 4¾		1988	50,000.00
W. T. Grant Company Sinking Fund Deb..... 4¾		1987	25,000.00
Household Finance Corp., S.F. Deb..... 4¾		1984	24,000.00
Household Finance Corporation Deb..... 4¾		1981	25,000.00
Industrial Credit Company Senior Note..... 5½		1973	80,000.00
International Tel. & Tel. Corp. S.F. Deb..... 4.90		1987	50,000.00
Interstate Oil Pipe Line Co. S.F. Deb. Ser. A 3½		1977	10,000.00
Lehigh Portland Cement Co. S.F. Deb..... 4¾		1979	24,000.00
National Tea Company S.F. Debentures..... 5		1977	11,000.00
North Central Airlines Sub. Conv. Deb..... 5½		1978	15,000.00
Philip Morris, Inc., Sinking Fund Deb..... 4¾		1979	25,000.00
G. T. Schjeldahl Company..... 5½		1971	25,000.00
Sears Roebuck Acceptance Corp. Sub. Deb..... 4¾		1977	10,000.00
Sears Roebuck Acceptance Corp. Deb..... 5		1982	25,000.00
Sperry Rand Corp. S.F. Deb. XW..... 5½		1982	46,000.00
Standard Oil Co. of New Jersey 25 Yr. Deb..... 2¾		1974	30,000.00
Sylvania Electric Products, Inc. S.F. Deb..... 4		1978	17,000.00
Sylvania Electric Products, Inc. S.F. Deb..... 4¾		1980	24,000.00
Sylvania Electric Products, Inc. S.F. Deb..... 5½		1984	42,000.00
James Talcott, Incorporated Sr. Note..... 5½		1979	24,000.00
James Talcott, Incorporated Sr. Note..... 5½		1980	15,000.00
Tenneco Corporation S.F. Deb..... 5½		1990	25,000.00
Thompson Ramo Wooldridge, Inc. 25 Yr. Deb..... 5¼		1986	23,000.00
Victor Comptometer Corp. S.F. Deb..... 4¾		1988	50,000.00
Total Industrial & Misc. Bonds.....			\$1,992,000.00

STOCKS

	No. of Shares		No. of Shares
Common Stocks:			
Aetna Life Insurance Company.....	250	Southern California Edison Company.....	400
American National Insurance Company.....	2,000	Sperry Rand Corporation Warrants.....	1,000
American Telephone and Telegraph Company.....	660	Standard Oil of California.....	315
Bankers Trust Company.....	445	Standard Oil of New Jersey.....	200
Banlife Corporation.....	462	Travelers Insurance Company.....	400
California-Western States Life Insurance Company.....	1,210	Victory Life Insurance Company.....	200
Canadian-American Financial Corporation.....	20	Washington National Insurance Company.....	1,600
Chase Manhattan Bank.....	397	West Coast Life Insurance Company.....	500
Citizens Park Agency, Incorporated.....	149	Western States Life Insurance Company.....	466½
Citizens State Bank of St. Louis Park, Minnesota.....	267	Wisconsin National Life Insurance Company.....	1,872
Connecticut General Life Insurance Company.....	100	Preferred Stocks:	
Continental Illinois National Bank and Trust Company.....	730	Allis-Chalmers Manufacturing Co. \$4.20 Cum.....	200
Fireman's Fund Insurance Company.....	500	Atchison, Topeka and Santa Fe 5% Non Cum.....	1,000
First Bankstock Corporation.....	1,648	Bank Shares Inc. 6% Cum.....	1,518
First National Bank of New York.....	550	Boise Cascade Corporation \$1.40 Cum.....	500
First Pennsylvania Banking and Trust Company.....	500	Canadian-American Financial Corp. 6% Cum. Partic.....	5,000
Ford Motor Company.....	600	Central Telephone Company 4.96% Cum.....	800
General Aniline and Film Corporation.....	1,000	C.I.T. Financial Corporation \$5.00 Cum.....	400
General Motors Company.....	200	Consolidated Edison Company 4.65% Cum.....	500
General Public Utilities Company.....	2,294	The Dayton Company Class B 6% Cum.....	100
Great Southern Life Insurance Company.....	167	Gamble Skogmo \$1.75 Cum.....	1,500
Gulf Oil Corporation.....	1,000	General Telephone Company of California 5% Cum.....	2,000
Home Protective Company.....	180	General Telephone Company of Florida \$1.25 Cum.....	500
Investors Diversified Class A.....	3,710	General Telephone Company of Illinois \$2.375 Cum.....	740
Investors Mutual Incorporated.....	600	General Telephone Company of Indiana \$2.00 Cum.....	475
Investors Selective Fund, Incorporated.....	500	General Telephone Company of Kentucky \$5.00 Cum.....	140
Investors Stock Fund, Incorporated.....	602	General Telephone Company of Michigan \$2.40 Cum.....	1,598
Iowa Electric Light and Power Company.....	500	General Telephone Company of the N.W. \$4.80 Cum.....	300
Kansas City Life Insurance Company.....	10	General Telephone Company of Ohio \$1.15 Cum.....	2,000
Kansas Power and Light Company.....	1,000	General Telephone Company of the Southwest 5.10% Cum.....	1,200
Liberty Life Insurance Company.....	770	General Telephone Company of the Southwest \$2.20 Cum.....	1,460
Loyal Protective Life Insurance Company.....	50	Genesco Incorporated \$4.50% Conv.....	250
M S L Industries.....	5,300	International Milling Company, Incorporated 4% Cum.....	372
Manufacturers Hanover Trust Company.....	672	Middle States Telephone Company of Illinois 5% Cum.....	500
Marquette National Bank.....	70	Mississippi Power Co. 4.72% Cum.....	250
Midwest Life Insurance Company.....	400	Montana Dakota Utilities Company 4.70% Cum.....	157
Minneapolis Gas Company.....	500	Montana Dakota Utilities Company 4.50% Cum.....	580
Minnesota Valley Natural Gas Company.....	500	Northern Natural Gas Company 5.60% Cum.....	150
Monumental Life Insurance Company.....	250	Northern Natural Gas Company 5.50% Cum.....	100
National Bank of Detroit.....	530	Northwest Natural Gas Company 4.75% Cum.....	200
Northwest Bancorporation.....	1,050	Ottertail Power Company 3.60% Cum.....	760
Northwestern National Insurance Company.....	1,148	Pacific Power and Light Company 4.72% Cum.....	250
Northwestern National Life Insurance Company.....	1,000	Panhandle Eastern Pipeline Company 5.64% Cum.....	200
Ohio State Life Insurance Company.....	1,182	Public Service Electric and Gas Company 5.28% Cum.....	200
Ottertail Power Company.....	800	Puget Sound Power and Light Company 4.70% Cum.....	300
Pacific Power and Light Company.....	1,275	Puget Sound Power and Light Company 4.84% Cum.....	200
Pittsburgh National Bank.....	500	Richfield State Bank 5% Cum.....	45
Protective Life Insurance Company.....	1,320	Tennessee Gas Transmission 5.24% Cum.....	100
Provident Life and Accident Insurance Company.....	800	Tennessee Gas Transmission 5.08% Cum.....	150
Provident Life Insurance Company.....	333	Texas Eastern Transmission Company 5.52% Cum.....	150
Reliance Insurance Company.....	348	Transcontinental Gas Pipeline 5.60% Cum.....	125
Research, Incorporated.....	2,500	Transcontinental Gas Pipeline 5.25% Cum.....	200
Richfield State (Bank) Agency, Inc.....	518	Union Electric Company \$4.56 Cum.....	250
Richfield State Bank, Minnesota.....	90	Utah Power and Light Company \$1.18 Cum. B.....	750
		Western Power and Gas \$2.55 Cum.....	700

Board of Directors

H. P. SKOGLUND
*Chm. of Board and
Chief Executive Officer*
North American Life and
Casualty Company

R. N. GESME (Retired)
Vice President
Northwestern Nat'l Bank
Minneapolis, Minnesota

CYRUS HOIGAARD
President
C. J. Hoigaard Company
Minneapolis, Minnesota

F. J. HUCH (Retired)
Vice President
North American Life and
Casualty Company

B. H. ODELL (Retired)
Vice President
North American Life and
Casualty Company

T. O. PETERSON
Chm. of Board and President
Investors Syndicate of
Canada Limited
Winnipeg, Manitoba, Canada

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President
North American Life and
Casualty Company

JOHN C. SKOGLUND
Executive Vice President
North American Life and
Casualty Company

P. J. SUNDBERG
President
Royal Stationery Company
Minneapolis, Minnesota

M. O. WEIBY
President
Pyroil Company, Inc.
LaCrosse, Wisconsin



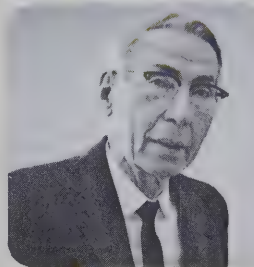
H. P. Skoglund
Chairman



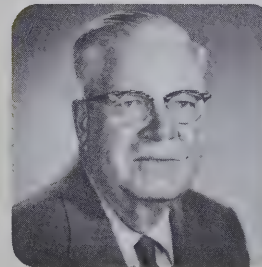
R. N. Gesme
Director



Cyrus Hoigaard
Director



F. J. Huch
Director



B. H. Odell
Director



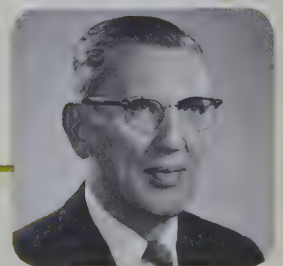
T. O. Peterson
Director



J. E. Scholefield
Director



John C. Skoglund
Director



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Director



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| <input type="checkbox"/> Opportunities For Careers With NALAC | |

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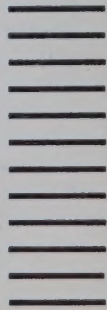
H. P. SKOGLUND, *Chairman*

North American

Life and Casualty Company

1750 Hennepin Avenue

Minneapolis, Minnesota 55403



M. O. Weip
Director

Home Office Organization

H. P. SKOGLUND
*Chairman of the Board
and Chief Executive Officer*
J. E. SCHOLEFIELD, C.L.U.
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JOHN C. SKOGLUND
*Executive Vice President
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Senior Vice President-Sales
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Vice President-Controller
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Secretary
WILSON SCOTT
Vice President-Actuary
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Medical Director
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Vice President-Underwriting
H. E. COPPS
Vice President-Claims
EUGENE L. REICHEL
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Executive Secretary
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BARTON C. BURNS
*Associate General Counsel
Tax Counsel*
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Vice President-Sales, Canada
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Manager-Advertising

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*Manager-Group Underwriting
Administration*
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Assistant Controller
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Manager-Group Sales
STEWART CARR
Manager Special Sales-Group
GEORGE CELUSTA
*Director of Pension Trusts
and Advanced Underwriting*
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Claims Manager-Canada
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Agency Field Officer
R. C. GROHNKE
Manager-Creditor Insurance
HANS HAGEN
Agency Assistant-Sales
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*Underwriting Manager-
Chicago*
WAYNE R. HANSON
*Director of Special Sales &
Health Insurance*
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Executive Director-Winnipeg
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Agency Field Officer
EDWIN KIEL
Auditor
WARREN KIRK
Underwriting Administrator
EDGAR L. KREMER
*Underwriting Manager-
Canada*
CHARLES E. LAPP, JR.
Director Group Ins.-Canada
STEPHEN LATTERELL
Chief Cashier

GERALD LONDROCHE
Agency Secretary
C. RAY MICHEL
*Administrative Assistant-
Group*
ROBERT MOORE
Manager-Data Processing
WILFORD NELSON
*Manager-Systems and
Procedures*
HOWARD OLMSTED
Assistant Treasurer
JOHN P. PEFFER
Assistant Controller
GLENN PERRIN
*Supervisor Policyowner's
Service*
AUGUST C. PETERSON
Purchasing Agent
ROBERT PETRIE
Agency Field Officer, Canada
RALPH PETTYJOHN
*Director of Administration-
Canada*
DONALD N. PHILLIPS
Agency Field Officer
VIK RONNINGEN
*Assistant Director of
Brokerage*
RONALD E. RYAN
Associate Actuary
CHARLES E. SAWYER
*Director, Service
Administration*
HAROLD STEIN
Underwriting Director
JAMES E. WHARF
Group Secretary
CARL S. WEISER
Director of Personnel

Stock Transfer Agents

First National Bank of Minneapolis
Bankers Trust Company, New York

Registrars

Northwestern National Bank, Minneapolis
Morgan Guaranty Trust Co., New York

Auditors

Arthur Andersen & Co.
Minneapolis, Minnesota

Legal Counsel

Maslon, Kaplan, Edelman, Joseph & Borman
Minneapolis, Minnesota

North American Life and Casualty Company

NALAC

1750 Hennepin Avenue, Minneapolis, Minnesota 55403



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MINNEAPOLIS, MINNESOTA 55403